

## **ADMINISTRATIVE ACCOUNTABILITY**





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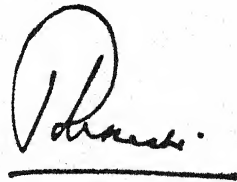
## FOREWORD

Accountability in administration has assumed special significance with the emergence of democratic set-up and accentuation of the developmental process. As expectations of people from administration grow and become broad based, debate on the theme becomes more intense and assume greater urgency.

Having regard to the importance of the theme, last year's Special Number of the *Indian Journal of Public Administration* was exclusively devoted to it. The issue carried 23 commissioned articles on different aspects of administrative accountability mainly in India and some foreign countries, covering a large number of issues--conceptual as well as operational. The issue also carried a useful bibliography.

As the contents of the Special Number of enduring interest, these are being brought out in the book form for wider and lasting use.

I am sure, the students and practitioners of public administration will find it useful.



( P.R. Dubhashi )

Director

New Delhi,  
October 9, 1984

Indian Institute of Public Administration



## PREFACE

ACCOUNTABILITY OF administration has rightly been called the 'kingpin' of democratic administration. In any kind of politico-administrative set-up, the logic of accountability cannot be ignored for long. But it has to have a positive orientation and goal, if it has to ensure adequate performance under democratic supervision and guidance. It is not merely regulatory and punitive in its purpose and content, though occasionally regulation and punishment do become the necessary elements of administrative accountability. Administrative accountability thus becomes another facet of administrative performance, which evidently is the culmination of both policy making and its implementation. Thus, the question of administrative accountability is implicit in both policy formulation and its implementation. Administrative performance and consequently the administrative accountability acquire all the more pronounced importance when the government is increasingly 'activist', not so much because of ideological considerations but because of compulsions of socio-economic developments and welfare aspirations of the people. The question of administrative performance is also an intricate one because of the manifold and sometimes competing goals that a developing economy, in a democratic context, all the more, has because of limited resources. This gives rise to tensions in society and if there is no effort at optimisation of the available resources, people are prone to get disenchanted with the performance of the administration and, consequently, complain of the lack of adequate accountability in administration. The importance of accountability of the system and its various sub-systems gets directly related to administrative performance.

Accountability and responsibility are often used interchangeably. But the two can also be distinguished. Accountability may refer to the political and constitutional as well as legal and hierarchical locus of responsibility, while responsibility has ethical and normative connotations. Fredrick C. Mosher in *Democracy and Public Service*, identifies the two shades of meanings of the concept of responsibility. The first, objective responsibility, connotes the responsibility

of a person or an organisation to someone else, outside of self, for something or for some kind of performance. It is closely akin to accountability or answerability. He goes on to say: "A quite different connotation attaches to the second meaning of responsibility, which is subjective or psychological. Its focus is not upon 'to whom' and 'for what' one is responsible (according to the law and the organisation chart) but 'to whom' and 'for what' one feels responsible and behaves responsibly. This meaning is more nearly synonymous with identification, loyalty, and conscience than it is with accountability and answerability." The wide expectations and large social significance of accountability with its various facets and instrumentalities and strategies as well as purposes and possibilities in administration merit indepth study and informed discussion.

One of the special numbers of the **Indian Journal of Public Administration** was devoted to the broad theme of Accountability in Administration. This particular number was greatly welcomed and there was demand for a volume to be brought out on the subject which may have wider circulation in view of the enduring concern of the public in this area of administration. This underscores the justification for bringing out this volume which carries 23 articles covering different aspects of the theme, most of which were commissioned from distinguished authors and experts in their respective areas of knowledge and experience. The first four articles cover, though from different standpoints, historical, theoretical, analytical and contextual aspects of the doctrine of administrative accountability and its working in day-to-day administration.

In the opening article, B.B. Misra traces how the concept developed in English after Restoration of Monarchy (1660), following its impersonalisation and abstraction as an institution. In the context of a growing capitalist economy and emergence of public service and replication thereof in India to suit the interests of the imperial power, the concept has had a chequered history. He goes on to point out the efforts "made to evolve in India, under British rule, a concept of administrative accountability to law and procedure under the limitations imposed by imperial interests and the peculiar conditions of Indian society". In his scholarly discussion, he depicts how the concept developed under the influence of the foreign rulers and various parliamentary statutes as applied

to India by the British. He aptly points out the incongruity of the concept of administrative accountability and its application in the political system lacking democratic character. He underlines some important developments in this regard after the attainment of independence. According to him, "under the pressure of politics, an irrational category, the conceptual rationality of public administration tends to get blurred but continues nonetheless". It is a conclusion which deserves exploration as to its nature, causes and consequences because of its relevance for the future democratic administration. The learned author provides the necessary historical background for the study of the subject.

In the second article, V. Subramaniam mainly provides in his article analytical information about the context in which the concept of accountability emerged under the British system. He tries to identify the reasons which explain the so-called wailing about the decline of public accountability. He points out that a lot of confusion is caused as "accountability in regard to public funds, public responsibility in regard to anticipating public needs and sensibilities are all lumped together in the discussion". After explaining the context and connotations of public accountability and responsibility, he examines the possible causes for the debilitation of the practices of accountability and goes to discuss the possible cures which he groups in two categories--remedies of withdrawal, and remedies of extension and modification. Apart from varied control mechanisms, he makes a plea for greater role of the public, as a whole, through regular education in citizenship and by wider access to governmental information. He concludes with an interesting suggestion that each expert must be forced to spend half of his time as a performer and the rest as a critic switching positions on the two ends of the desk. This, he feels, may resolve some problems relating to accountability, but devising a method for this purpose needs deeper probe. Subramaniam provides an extensive framework of analysis which needs more rigorous treatment in its applied aspects. According to him, "the concept of public accountability evolved mainly in England in a mixed atmosphere of decaying feudalism and rising commercialism". He also suggests that the concept developed in a very narrow context of limited government, limited expenditure, limited administrative structure and limited liberal democracy.

Shriram Maheshwari relates the concept to achievement, taking a view that structural mechanisms--like hierarchy, supervision, etc.--are all designed to promote accountability. In this light, he discusses parliamentary and ministerial forms of accountability and follows it up with a critique on these conventional forms. In his bid to refashion the framework of accountability, he emphasises the need to balance the tendency of enhancing people's obligation towards government (as is evident in tax laws) with matching self-discipline on the part of government itself. Some of the specific suggestions made in this context are: fixing an expiry date for all enactments with a view to re-examining their rationale, need for social audit in public organisations, and making a provision for suing a functionary for damages even in the event of indifference and inaction. Maheshwari rightly warns that the ideas suggested by him, if ritualistically applied, may not have much impact. Again, he cautions about the need for a sense of proportion in this regard so that initiative and drive so necessary for carrying out programmatic responsibilities are not adversely affected. He has raised some issues which should provoke further exploration of the applied aspects of the concept of administrative accountability.

According to Asok Mukhopadhyay, "the basic issue of administrative responsibility relates to that part of public administration which has something concrete to contribute towards not only policy execution but also policy formulation and policy adjudication". He discusses at some length what he calls 'informal accountability'. Mukhopadhyay deals with the conventional mechanisms for enforcing accountability--political, legislative (including post-audit and committee system), financial and judicial. He brackets in the informal category elected representatives' demands on administration to show special favour to their constituencies, obligation of administrators to attend to press queries, and their relationships with interest/pressure groups and lobbies. Besides, he also discusses certain facilitating factors, like representativeness of bureaucracy and people's participation. He feels that the administrators and the people seem to have different perspectives on the participatory process and observes that "administrators need to temper their professional judgement with an awareness of citizen preferences". Mukhopadhyay also refers to the limiting factors in this regard, like political culture and structures, values of individuals, organisational



environment, etc. The author seems to strike a realistic note while concluding that the concept is relevant to democratic systems and is more close to political culture than administrative law and is determined basically by popular expectations.

Taking a constitutional-legal view of the theme, S.N. Jain focuses on relationship between accountability and the Directive Principles of State Policy as enshrined in our constitution, which in fact provide the guiding principles and rationale for a good deal of administrative activity in a democratic framework. Illustrating his exposition with case laws pertaining to different aspects, he deals with issues like the alleged weakening of fundamental rights, and the tendency of enacting more and more laws without proper administration thereof. He also discusses some positive developments, that is, state's increasing concern to provide legal aid, supporting social action groups, and setting up of agencies to handle grievances, etc. His is an analytical piece with a legal approach in its wider context and though one may not always agree either with his diagnosis or with his prescriptions, Jain's exposition indicates that this is an area where further research by constitutional experts and practitioners of administration is necessary. The politico-economic realities and parameters of administrative capability cannot be wished away all of a sudden by the magic wand of seemingly attractive public interest litigation. It requires creation of public awareness, garnering of resources, activation of civic sense and mobilisation of administrative support for any lasting and worthwhile effort. The So-called public interest litigation is also liable to be exploited by unscrupulous interest to defeat or delay the ends of public policy and this aspect cannot be altogether lost sight of.

Governmental administration does not exist in a vacuum but in a social setting. As such, performance of its institutions is determined by multiple, complex and competitive factors which influence administrative accountability. C.P. Bhambhri in his piece perceptively underscores with the help of many empirical findings the factor of social specificities or proximity, i.e., governmental institutions are more responsive to interest groups close to the bureaucracy and ignore the demands of those who do not or cannot reach them. Thus, according to him, the social context assumes important propor-

tion in assessing accountability in government. Bhambhri thus raises the larger issues of the varied and complex interest groups and their impact on the governmental functioning which brings us to the paradoxical situation of the need for effective administration being conscious of its 'custodian' role in a democratic but unequal and fragmented society.

Pervasiveness of governmental activity, reinforced with increasing dependence of community on governmental intervention, has conferred tremendous powers in the hands of public functionaries obviously to fulfil collective needs. But with this, doubtlessly, have increased opportunities of misuse--deliberate or otherwise--of these powers. In this context, O.P. Dwivedi analyses how the traditional conventions of ministerial accountability and responsibility in public service through parliamentary control have got diluted in countries like UK, Canada, etc., because of the enormous expansion of governmental activity itself. To reinforce it, he suggests that more effective arrangements for scientific allocation of responsibility to individuals and units, feedback and reporting systems, mechanisms for evaluation of performance, a political commitment to achieve responsible and accountable management are called for. Dwivedi recommends the adoption of a suitable code of ethics--endorsed and duly enforced by the supreme authority--by the public servants, both ministers and bureaucracy, as a set of guiding principles. Such a measure is likely to have positive effect on administrative accountability, according to Dwivedi. He has tried to analyse the elements of the code and the imperatives of its successful enforcement. The issue of morality in public affairs is not just a matter of theoretical interest but of social concern and the approach requires increasing debate and discussion when there is so much talk of collapse or decline of moral values or norms. Dwivedi rightly says: "In general, an overall environment of responsible behaviour must emerge if a country wished to sustain an accountable administration."

P.R. Dubhashi discusses some of the known administrative and judicial processes of enforcing accountability in government and public sector as also some of the unethical or corrupt practices often resorted to by the functionaries. He suggests the need to lay greater emphasis on the attitude of the defaulter rather than the nature of default, quite often

minor or even technical, and recommends adoption of positive approach so that the public servants may be able to develop confidence that they will not be persecuted for bonafide mistakes. He rightly visualises important role of training in cultivating and fostering proper attitude among them. There is certainly the need in administrative training to pay as much attention to dimensions of ethical behaviour as the legal procedures and modern techniques for management.

In his contribution on bureaucracy and development, J.D. Sethi shows his concern about absence of a clear-cut theory of accountability and the prevailing asymmetrical relationship between politicians, bureaucrats and businessmen with regard to accountability. He is highly critical of the state of the existing mechanisms of enforcing accountability. Though convinced about bureaucracy's capacity to ensure accountability (he favours development of efficient and alert evaluating and monitoring machinery), Sethi decries its assuming willingly or forcibly the role of brokers between politicians and business to legitimise corruption and thereby become what he calls the "biggest barrier in the way of the emergence of any participatory model". Sethi mentions that structural self-regulation and self-control are "the two essential principles to build a system of bureaucratic accountability". He goes on to say, "Bureaucracy like any other class has to be accountable to itself, not in terms of superior-subordinate relations but in terms of values and norms of the class as a whole." In this connection, he emphasises the role of trust, in its varied aspects, for bringing about more efficient and accountable bureaucratic management. Though one may find oneself in disagreement with the sweep of Sethi's analysis and conclusions, it is essential to go into the nature of what he characterises as the 'bureaucratic crisis', and get at the roots of reality to cope with the problems. "The problem is not so much of paucity of resources as of absence of leverages, trust, and accountability." This concluding observation of Sethi does merit indepth discussion.

Though training for administration has been accepted, despite scepticism about its practical uses in the present governmental setting, as a reliable tool for improving performance of bureaucracy involving sizable resources, the issues of accountability in the programming of this activity have not been fully realised so far by those concerned. A.P. Saxena

has, therefore, chosen to define the concepts and criteria and to give some shape to the misgivings on one side and vague notions on the other about accountability as they exist in the field of training. Three main criteria suggested by Saxena are training inputs (i.e., the design which must be need-based, harmonious and have variety too); physical and financial resources inputs; and inputs provided by participants themselves during and after training. He suggests to fit these accountability criteria in all the three phases with a view to obtaining optimum results and promoting identity and credibility of training programmes as well as training institutions. Saxena's theme is both interesting and of far-reaching importance. It is expected to gain more importance in future when hardware and software of training inputs are likely to acquire greater sophistication with apportioning of more resources for the purpose.

Saxena points out that "accountability is to be visualised as an inbuilt component of training since the different parties involved in training of administrators have a place and a role in the calculus of accountability". This total view has to be considered by the trainers and training institutions as well as the participants and their sponsoring organisations in the government.

Finance is traditionally the most fundamental and central issue of administrative accountability in democratic systems. Giving a brief survey of the practice of financial accountability in USA, M.J.K. Thavaraj discusses how various tools, like budget, audit, mechanisms of control within executive, control through committees of legislature, operate and bring to the fore the problems encountered in their being fully effective. He makes pointed reference in this regard to the increasing complexities in the business of government coupled with the weakening of statutory control (this becomes notional once a statute is enacted, according to the author), and audit inadequacies (increasing emphasis on efficiency-cum-performance audit is intended to rectify the latter). In his well brought out presentation, Thavaraj also covers public sector enterprises. He gives a general caution: "Distortions in the electoral system and process can undermine the roots of financial accountability of the government to the people" which deserves attention. The implications of this hypothesis naturally go beyond the frontiers of administrative accounta-

bility and become the subject matter of a wider public debate for the good of the polity.

In a democratic form of government, every administrative action is supposed to have a policy justification and public policymaking is primarily the responsibility of the elected representatives through articulation of objectives and goals as part of the constitutionally established political and legislative processes. The government is accountable to the legislature in this broad and important area of public aspirations, public policy and legislative effort. In this broad framework, R.B. Jain examines the policy making role of the Indian Parliament since Independence up to 1979. His probe is three-pronged: (i) as reflected in its various processes of legislation, (ii) as reflected in the functioning of consultative committees attached to various ministries, and (iii) parliamentary initiative through private members' legislations and resolutions. The areas selected for the first one are foreign and defence affairs, science and technology, and economic policy (including price policy for sugarcane and sugar, cotton and textiles, and foodgrains). This selection, though not comprehensive, covers the crucial sectors. He has treated private members' initiative in this regard separately for obvious advantage. To concretise his analysis, he has given the necessary tabloid quantifications. Some of the observations of R.B. Jain, based on his analysis, are not only interesting but also point to the relatively new and promising field of study, i.e., policy making role of Indian Parliament, which is expected to gain greater importance with further crystallisation and strengthening of democratic processes in the country. According to Jain, the situation, as emerges at present, indicates that the Indian Parliament's "capacity to influence the implementation of public policy has been much more in evidence than in other stages of policy development". In the final analysis, according to the author, "it seems more appropriate to suggest that in India the Parliament has performed a more active role as 'policyinfluencer' than either 'policy maker' or as 'policy transformer'."

Another article included in the volume on administrative accountability in the context of parliamentary control is by N.R. Inamdar. But his focus is on the role and functioning of the Estimates Committee with an added comparative dimension. He gives elaborate treatment to institutions, comparable to

the Estimates Committee, as they operate in other countries like UK, USA, and France, and adds to our knowledge for better understanding of the role of this very important institution in the Indian context. Inamdar assesses the role and working of the Estimates Committee in India from 1953 to 1980 to provide definite insights about strengthening of post-legislative accountability in the Indian system over the years. In this process, he also discusses briefly the suggestion regarding revival of standing committees for different ministries. It may be pointed out that each ministry has, however, its consultative committee consisting of the members of Parliament. Inamdar while making certain suggestions endorses suggestions that have already been made to streamline the working of the Estimates Committee to facilitate proper coordination between the legislature and the executive for fuller play of accountability function. We hope that the parliamentary control, in order to ensure accountability at various levels and stages will continue to be an important plank of our democratic process and thinking.

Much against the calculations of planners and thinkers of planned change and growth in India, the subject of law and order has posed serious threats at times to the basic premises of the developmental process which cannot be brushed aside. Increasing concern about the realities of this trend has forced academics and functionaries to look afresh on the entire gamut of organisational structure, rules, procedures, etc., related to this crucial field. Accountability in criminal justice, though concerned with a major segment of public administration, has, somehow, escaped adequate academic attention. V.N. Rajan, initiates a critical debate in this area, updated and authenticated with illustrations of recent happenings and experiences of an 'insider', on the subject. Rajan, in a direct and forthright style of analysis, identifies the maladies which, according to him, are responsible for the existing disabilities of the system and attempts to prescribe some possible remedies. With his focus sharply on functional aspects of accountability, he discusses factors like interference in postings and transfers of functionaries at almost all levels, problems relating to processing of cases for trial in courts, damages caused to the credibility of the system by agitational politicking, delays in deciding court cases, increasing proportion of discharges and acquittals in court cases due basically to inadequacy of prosecution evidence,

suborning of witnesses, etc. Indeed devising an effective strategy for a durable remedy for these entrenched maladies is both tough and challenging, but training of prosecutors, as suggested by the author, is a sound interim proposition. The other suggestions, like victim compensation and victim-witness assistance have doubtless direct bearing on accountability but need greater thought and preparation before implementation. But Rajan has well made the point regarding the multifaceted accountability in criminal justice administration and the need for alertness, understanding and capability of each character to play its role in a spirit of mutuality and complementarity.

Rise of bureaucratic power is inversely related to administrative accountability. Existence of this phenomenon can be experienced more at the local level mainly because, excepting the examination of broader policy, intervention of the parliament becomes diffused in local issues. This is further aggravated by the absence of a linking information system. Basing on these premises, Kuldeep Mathur rightly applies himself to devise an information system to bring accountability factor to the desired level in rural development programmes, which are so vital but have failed to show desired results for so long, though involving resources of staggering proportions. Mathur examines the weaknesses in the existing arrangement where vital data get distorted, before identifying the needed information and choosing indicators in the proposed system. To ensure greater accountability, he gives due emphasis to beneficiary participation, particularly at policy making and evaluation stages, despite difficulties as prevail at present. The need and urgency of evolving such a system can hardly be over emphasised for rural development programmes. Mathur's analysis leads to the general point that for any project or programme, an effective and realistically devised information system can play a significant part in improving public accountability since reporting of physical and financial targets may not tell the entire story in qualitative terms and periodical reviews or inquiries can hardly lead to corrective action at the right time.

The public sector has been under attack quite often for functional as well as ideological reasons. Despite attempts to repair its image by the recent attainment of the elusive economic viability in a large number of public sector units, public sector enterprises in the country have not always been

able to answer satisfactorily the strong criticism with regard to accountability. The accountability in public enterprises assumes importance not only because of financing from public funds but also due to the very reasons and purposes for their establishment. O.P. Minocha looks into these and related issues in his article. After analysing the concept and rationale of accountability in varying forms of organisation of these units, he discusses the instruments of parliamentary scrutiny as well as other kinds of agencies for accountability. Autonomy and accountability are not parallel concepts. Accountability, through performance, can facilitate meaningful and enduring autonomy.

Minocha makes a critical evaluation of the existing accountability mechanisms--both formal and legal--related to the sector and develops a list of hypotheses germane to varied factors of accountability. Empirical exploration of these hypotheses by academics and others is perhaps unavoidable keeping in view the huge investments and the expected returns therefrom as also for rekindling public confidence in them. The accountability, both in its economic and social aspects, will have to be reconciled in more realistic terms due to the emerging compulsions of an international economy and the welfare state. Unless the public sector management 'realises that management by alibis' cannot be the perpetual refuge, the public will start their search for new and more satisfying models for management.

Due to its very nature, a democratic and welfare state owes special responsibility to weaker sections of society, especially the more vulnerable ones. This is the compelling factor for administration of programmes for their welfare through government machinery. To minimise bureaucratic malaise, voluntary organisations are also involved where these exist. Despite this caution, the general complaint regarding accountability persists in such activity which is often confirmed by the unsatisfactory outcome of many of these programmes. Seetharam attempts to explore in his contribution the prerequisites, problems and issues of accountability in social welfare services to arrive at a more meaningful set of guidelines for improvement of the delivery systems. Goal specification and cost effectiveness have to be thought of as operational necessities. This has to be reinforced by adequate evaluation mechanisms. If voluntary organisations have to



serve as instruments of mobilising popular energy and of decentralised developmental and welfare thrust, for the sake of their own credibility and effectiveness they have to comprehend the problems of accountability in its proper background. Some of the questions raised and suggestions made by the author for improvement of social welfare programmes require attention of the concerned authorities.

Though conceptual aspects and role of performance budgeting in promoting accountability have already been discussed earlier by Thavaraj, Rajendra Maheshwari and Pushpa Maheshwari deal more with its applied aspects in public sector banks, particularly the State Bank of India (SBI) which was first to adopt it in 1972. They discuss its working from branch upwards and narrate experience on its operationalisation in the SBI. Describing deficiencies at branch office, regional office and head office levels in this regard, they are critical of these levels for adopting merely a window-dressing approach in this regard over the years. A concentrated effort to motivate the functionaries may help in the effective use of this efficient modern tool to sharpen accountability in these banks which have an increasingly important role in the expanding developmental effort. Clearly the area of study by the authors is too limited for any definitive conclusions to be arrived at, but it is obvious that for the discharge of their responsibilities, banks need men with motivation as well as understanding of modern techniques and general concern for the people and the programmes for their welfare.

The institution of ombudsman, according to many experts on the subject, has an all-embracing and preventive as well as positive role in promoting administrative accountability in all governmental activity. Its healthy presence enforces ministerial and bureaucratic responsibilities which are so very vital for developing democracies. Donald C. Rowat, who has pioneered many studies in this area, surveys in brief the emergence and functioning of this institution in ten developing countries as also the proposed plans therefor in other developing countries. Referring to the Indian situation, he mentions the difficulties encountered in its establishment at the federal level and its models adopted at the state level in Rajasthan, UP, Bihar, Maharashtra and Andhra Pradesh. Rowat mentions some special problems faced by this institution in some countries in view of the needs of rapid development,

nature of state, and some functional difficulties but concludes realistically that even if it works with half of the visualised effectiveness, its adoption by developing countries would be worthwhile. He points out, "if the institution cannot cope with a situation where the administration is welded with patronage or corruption, it may fail if it is adopted in a truncated form, or in a form that subjects it to too much executive or partisan pressure". Rowat makes a plea for the introduction of the ombudsman system in developing democracies as "it does not interfere directly in executive action" and "it helps to enforce ministerial responsibility" and thus overall accountability in administration and public affairs.

It has been our attempt to provide some information on current thinking on the state of administrative accountability in certain other countries. These contributions provide a comparative perspective for discussion of the subject and have some implications for wider consideration.

R.L. Wettenhall deals with issues relating to the matching of accountability with autonomy in Australia's public corporations and offers interesting information about development of public sector there for us to draw inferences for possible utilisation in our own context. He provides a broad survey of the literature on the debate of autonomy vs. accountability. Neither accountability nor autonomy can be ends by themselves. Ultimately the yardstick of the people will be the efficiency of the public enterprises in 'broad socio-economic terms'.

After laying down the background of the concept and the functioning of accountability in administration in Bangladesh, Mohammad Mohabbat Khan discusses in his article the various available and existing mechanisms which operate there in "an uncertain and uneasy state" in the midst of military intervention, with "its own peculiar system of accountability, which, if applied to the public sector, locates more problems than it solves", according to the author.

Canada presents an interesting case with regard to administrative accountability because of significant developments that took place in the field from 1968 onwards after Prime Minister Trudeau took over and adopted systems approach, scrapping the existing departmental and individualistic system. In his article on administrative accountability in

Canada, C.E.S. Franks covers briefly the important Report of Lambert Commission on the subject. We have presented a summary of its recommendations in the 'Document' portion of our special number. Franks has tried to sum up the outlines of a better system of accountability in the light of thinking and experience in his own country and this deserves our consideration. He is of the view that Canada, with the changes as mentioned by him, would "depart from the traditional Westminster model of parliamentary-cabinet government" and "catch up with administrative reality". We may invite attention to his concluding observations: "It (the proposed system) would assign responsibility for administration to administrators. The beguiling mirage of ministerial responsibility would, with these changes, occupy a lesser but more realistic place. The problems of controlling large bureaucracies would begin to be identified and squarely faced as something distinct from party politics."

The article by O. Glenn Stahl, though referring in specific terms to the issues of administrative accountability in the United States, has a much larger canvas and relevance. Besides dealing with relevant conceptual and operational aspects, he also discusses latest thinking in the field, such as fixing the individual financial liability of the employee. He analyses all the important aspects and ingredients which have a bearing on administrative accountability, such as the effectiveness of formal and informal controls, ethical imperatives of administrative conduct, interpreting of public interest, issues of narrow specialisation and loyalty, exaggerated reactions to exposure of some administrative misdeeds, the calibre, supervision and motivation of employees, etc. He pointedly refers to the necessity of "constructive ways to develop a sense of responsibility and build assurance of accountability on the part of public servants". This positive approach seems to require adequate consideration not only by political masters and policy makers but also by academics and publicists in a thoughtful manner.

Since the volume covers a wide gamut of problems, it may neither be useful nor possible to sum up all the issues relating to them. It may be enough if some more important aspects having larger relevance can be pointed out briefly. Only formal and institutional aspects of accountability do not suffice for the purpose of good administration. The ethical

dimension and the concern for the citizen impart a new significance to the constitutional, legal or judicial, financial and audit, legislative and political, as well as administrative and programmatic aspects of accountability. All attempts to ensure accountability will become self-defeating if it is based only on mistrust. Operationally, the words and action which are likely to affect adversely the morale and motivation as well as initiative and enthusiasm of the wider segments of administration, should better be eschewed. For enforcing accountability, there is need to understand and work out performance objectives with reference to individual functionaries as well as organisations and positive effort should be made to inspire confidence in the evaluation and appraisal process within the administration.

Administrative accountability operationally is horizontal as well as vertical, besides being conditioned by the overriding parameter of democracy, namely, to the people below. It is the real implications of these phrases which have to be appreciated in the true spirit in the functioning of the administrative machinery. Accountability really aims at promotion of efficiency and effectiveness, legality and equity as well as rectitude and propriety in public administration. Administrative accountability is not dehydrated, mechanistic, philosophical concept in the flux of the human affairs where the interests of the different sections of the people and their emotions are apt to be involved. It is always easy to be wise after the event, but hindsight is not necessarily foresight when compelling circumstances call for action. The search for administrative accountability in terms of effectiveness as well as responsiveness is a continuing process.

In the present volume, covering the broad theme of administrative accountability, many of these problems germane to the area have been analysed and explored from various angles. While most of our contributors have used the words 'accountability' and 'responsibility' as synonymous, many a time a distinction has been drawn not for the purpose of semantics but in view of its operational significance. That is why we have the discussion about the public service ethics and code of conduct for public servants. The different meanings that we may attach to 'accountability' and 'responsibility' get merged in the context of the satisfaction of the people. This raises the question as to why the totality of the administration and,

for that matter, the entire society cannot become imbued with a higher sense of responsibility as is envisaged.

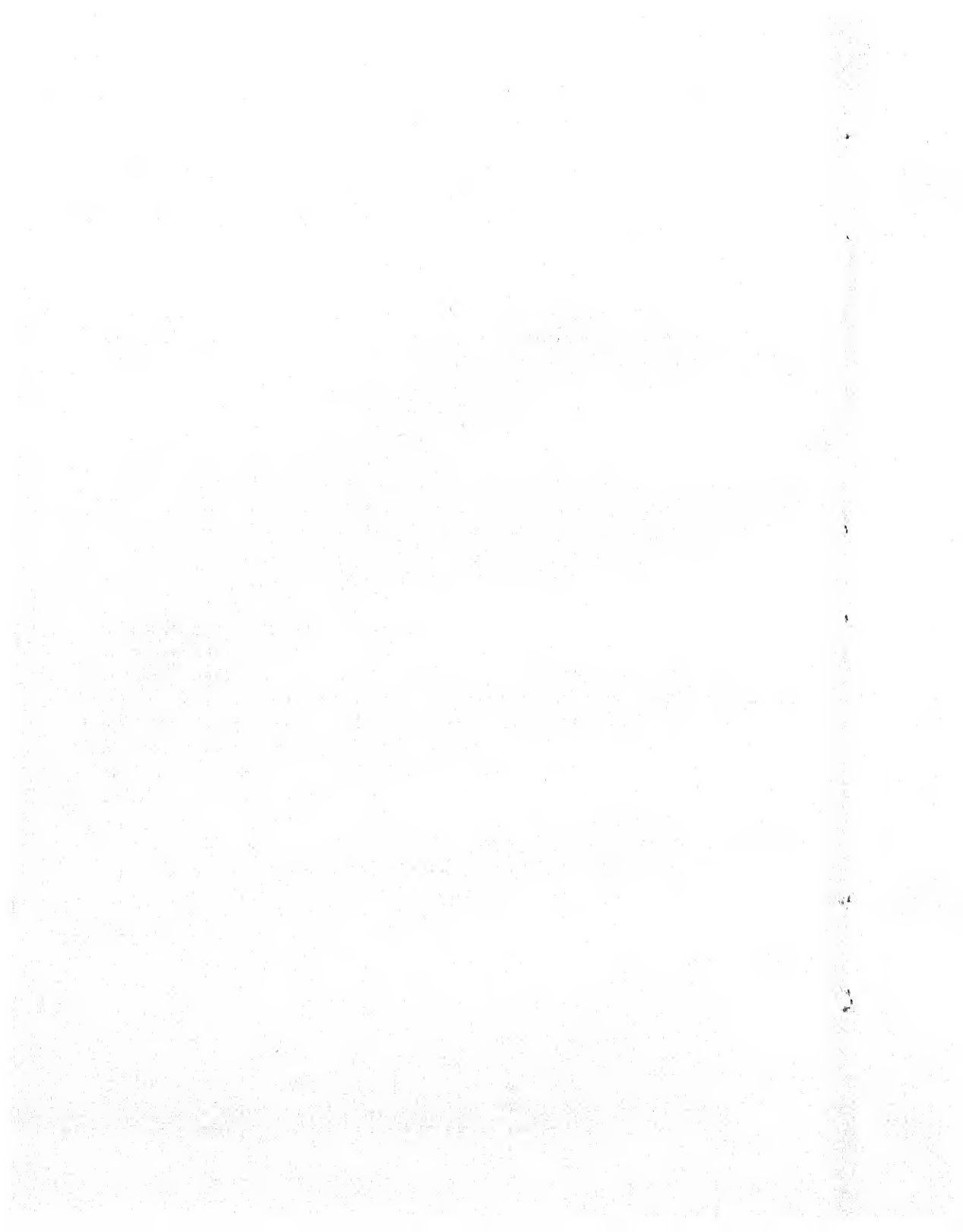
Administrative accountability may even have futuristic orientation as is being well-realised since the process of development and the goals of the present have to be harmonised with a perspective of ecology and environment. Thus, administrative accountability is full of human dilemmas.

The articles that constitute this volume span a very wide spectrum of the main theme of administrative accountability. In such an exercise, certain amount of repetition is unavoidable. It will, however, be noticed that through reiteration often the principal issues and problems do get highlighted which enable one to have a more integral view of the concept of administrative accountability and its operational significance. Though the principal issues regarding the role of the important institutions such as the judiciary, the press, the audit systems and the like have received certain amount of attention at the hands of various authors, a more detailed treatment separately may be worthwhile.

We take this opportunity to express our deep sense of gratitude to the eminent contributors for their cooperation which we greatly value. Our thanks are due to P.R. Dubhashi, Director of the Indian Institute of Public Administration for all the help that he has given in the publication of this volume. We also suitably acknowledge our gratefulness to those who prepared bibliographies for the volume. We do hope that this volume as it deals with a crucial subject of public concern that affects directly the working of our economy and polity will help to make the continuing dialogue and debate on accountability in administration more informed and purposeful.

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New Delhi  
October, 1984



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### Articles

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# Evolution of the Concept of Administrative Accountability

**B. B. Misra**

ADMINISTRATIVE ACCOUNTABILITY, in its modern connotation is an attribute of bureaucracy, identifiable with what is recognised as 'public administration' and, in principle, accountable to none but the rule of law and the procedural norms that go with it in the conduct of administrative business. Though immediately connected with government and conceptually related to the changing ideas of the state, this accountability to law and business procedure imparts to a civil service a character which distinguishes it from both government and the state: It is this character which conduces to its impersonality and makes it an independent unit of analysis. In other words, independently of the forms of government, it goes on in its own right.

It is true that the officials of government are by themselves a social class. They are, as any other class, subject to pejorative comment in political terms -- comments which suggest that their independence in relation to government above and the people below is not to be viewed without reservations. Even so, one has to recognise that the compulsions imposed by law and procedure as the basic conditions of administrative accountability reduce, if they do not completely eliminate, the dangers of deviations arising from social or political considerations. Both of these conditions of substantive and procedural laws are of necessity integrated with public administration, a strictly 'rational' or legal concept according to Max Weber. Its emphasis is on the codification of law as well as of procedure, a codification which alone can reduce to uniformity every process of decision-making and impose institutional and legal constraints on the exercise of discretion.

## DEVELOPMENT IN ENGLAND

This rational-legal concept of administrative accountability is, however, a modern development, a result of growth in the direction of popular sovereignty or political democracy arising from the

capitalist economy. In England, a beginning in this direction was made by the restoration of monarchy in 1660. It questioned the legitimacy of the king being the exclusive source of law, and established, on the Aristotelian principle, a blending of monarchy, aristocracy and democracy as a form of compromise representing a break from despotism. The aristocracy, of course, dominated parliament and the king's civil service, but the middle class bourgeoisie, who just stepped in politically as an element, ceased to be ignored altogether.

What the arrangement of 1688-89 and the subsequent Act of Settlement did was to replace the intermediate sovereignties of the king's palacemen and office-holders by the sovereignty of laws of the crown and parliament. For the crown was obliged to extend approval to Habeas Corpus Act, the Bill of Rights and the Act of Settlement. All these signified the increasing influence of the commercial and industrial bourgeoisie, fighting for a direct link between the crown and parliament, on one hand, and the individual citizen, on the other. It was this rising middle class influence which, in the course of the eighteenth century, started agitating against the royal monopoly of the East India Company to promote 'laissez faire'. It was at this period that some of the king's servants, especially those in the law courts and in the departments, had begun to be recognised as public servants of the crown as distinguished from the sovereign's private servants. There was, in fact, a practical difficulty involved in the change. The king's servants could not be treated as public servants unless he himself was to a great extent depersonalised and the crown reduced to an institutional abstraction. This process of change was delayed because the bourgeoisie elements themselves were favourably disposed towards the aristocracy and viewed with disfavour the rise of the agrarian and urban proletariat. The exclusion from parliament of the bulk of king's civil servants and office-holders doubtlessly conduced to the separation of administration and politics. But as the aristocracy was still dominant in parliament, the legal principle of contract, as the basis of civil service recruitment, remained still unrecognised.

It was the growth of nascent capitalism and the ideological support lent to it by the writings of Jeremy Bentham, James Mill and other utilitarian leaders that set the tone for the reforms of parliament in the direction of national sovereignty and political democracy. The first Reform Act (1832) marked the beginning of the series that ultimately made parliament supreme both as a legislative and constituent body. The middle class started associating itself for a direct and effective share in political power. Even so, it took nearly a couple of decades before a competitive system could

replace 'patronage' as a mode of recruitment to what came to be known as the permanent civil service. This was done under the Northcote Trevelyan Report (1853). The service recruited under the terms of the report came to be the real 'public service' in modern bureaucratic connotation. For it was, under its own service conditions, accountable only to the law and its procedure laid down under parliamentary enactments, both being subject to the jurisdiction of courts as the final arbiter in cases involving complaints against any administrative action or decision. It was in the sense of both law and procedure being recognised as an independent variable of bureaucratic analysis that the civil service recruited under the contractual principle of open competition became known as the permanent civil service, free from politics and functioning independently of all forms of government and the changing ideas of the state.

#### DEVELOPMENT IN INDIA UNDER BRITISH RULE

Efforts were made to evolve in India, under British rule, a concept of administrative accountability to law and procedure under the limitations imposed by imperial interests and the peculiar conditions of Indian society. Both of these constraints united to lend support to the fact that while the stability of political institutions and their conceptual basis proceeded in the west from a related simultaneous progress of the economy and society, the extent of political and administrative advance in India remained unrelated to her social and economic development. This created a degree of imbalance which affected the operational quality of administrative accountability, to legal provisions and procedural requirements in the Indian situation. The difficulty involved in the transplantation of the British bureaucratic concept arose chiefly from the absence in India of the social conditions which prevailed in Britain and sustained the system there with spontaneous respect for the rule of law.

Dicey in his 'Law of the Constitution' has ascribed three meanings to what he calls the 'rule of law'. These are: (i) absolute supremacy of regular law as opposed to arbitrary power, prerogative or even wide discretionary authority; (ii) equal subjection of all classes, including officials of government, to the ordinary law administered by the ordinary law courts, and (iii) the rules governing the rights of individuals as defined and enforced by the courts.

From racial considerations, however, two sets of tribunals continued to operate in the administration of criminal justice during the entire period of the East India Company's administration which was

replaced by the crown only under the Government of India Act (1858). These tribunals were the supreme court of judicature, a king's court, established by a Royal Charter in the presidency town of Calcutta in 1774 for European British subjects settled in India and governed by English law and procedure, and the country courts of adalat with a sadar court on top for Indians in general, established under the regulations of the Governor-General in Council. These courts were later governed by the laws enacted by the Governor-General in Council meeting as a legislative body with a law member appointed under the Government of India Act (1833). The British European subjects were to be governed by the law so enacted under this Act. But they refused to submit to it. Whatever the distance of the scene of the crime committed by a European British subject from the presidency town of Calcutta and, whatever the cost and inconvenience to the parties and witnesses, it was necessary that the case should be sent to the presidency, where the only court possessing jurisdiction over the accused held its sittings, or that the offender (European British subject) should escape the punishment.

This was a regrettable situation. Communicating their views on the enactment of 1833, which had permitted freedom of colonisation, the company's court of directors thus made it clear to the Government of India as follows: "In our view", they said, "you cannot possibly fulfil the obligation of protecting the natives of India from insult and outrage unless you render both natives and Europeans responsible to the same judicial control. There can be no equality of protection where justice is not equally, and on equal terms, accessible to all."<sup>1</sup>

The resistance of the colonial element of the European British population in India rendered the company's reforms of 1833 inoperative. But a common code of law and procedure as a national basis for administrative accountability could not for long be delayed. The codification which Macaulay had started, made a steady progress. His Indian Penal Code was later revised and passed into law in 1860. A code of criminal procedure was likewise enacted by the council in January 1861. By an act of parliament, passed in 1861 itself, the supreme court of judicature and the sadar court of adalat were amalgamated and formed into three chartered high courts established at Calcutta, Madras and Bombay.

The unity of judicial control and the formation of a common code of law and procedure were all measures that not only recognised the fundamental principles underlying the rule of law, but facilitated the growth of the 'rational' concept identifiable with public administration in Weberian terms. The Cornwallis Code of 1793 was the



first landmark in the field. It emphasised the importance of the rule of law as against the arbitrary power of government, as well as against a wide range of discretionary authority vested in district officers under Warren Hastings. His regulations on the predominance of the district judge were, of course, later revised under utilitarian influence to give a tilt on the side of the executive. But his emphasis on the rule of law remained an ultimate success.

The rationality of administrative accountability, as indicated above, was closely related to the democratic character of the political system. No such thing existed under Indian conditions, except that the constitution of the company had earlier provided for the appointment of a president and council placed in charge of each of its three presidency governments at Fort William (Calcutta), Fort St. George (Madras) and Fort St. David (Bombay). All executive powers were lodged in the president and council jointly, and no decision was to be taken except by a majority of votes. What parliament did in 1773, under its Regulating Act, was to maintain the council form of government but create a central government at Fort William with a reduced council, presided over by a governor-general. Madras and Bombay had each a governor and council. The India Act of 1784 went a step further by a recognition of Britain parliamentary sovereignty over the company's Indian territories, exercisable through a board of control in the conduct especially of political affairs. This arrangement continued till 1858, when the Government of India Act, in the context of the Indian mutiny replaced it by a secretary of state for India in council and brought Indian administration directly under the sovereignty of British parliament.

The administration of the East India Company, of course, came to an end. But the colonial interest which had built up in the course of its administration, created a situation, where the need for evolving a separate legislative authority in India became a pressing necessity because of the refusal of colonisers to be governed by executive-made laws. Cornwallis had for that reason sought to put an end to all forms of private agencies operating as intermediate sovereignties in the maintenance of law and order or other spheres of public duties. The modernisation of administration did not admit of public obligations being discharged by private individual. The enactment of regulations, however, continued to be the function of the company's executive government, although the governor-general was, under the Amending Act of 1786, not to override any of the enactments of the council as he could do in his executive capacity.

The emergence of a separate legislative authority which later became the source of an alternative national sovereignty, proceeded in fact from the company's council form of government with its

majority rule, on one hand, and the pressure of European settlers to seek exemption from its regulations, on the other. The situation assumed a serious proportion because of the projected scheme of free colonisation under the Charter Act (1833). While James Mill emphasised that all classes of people, British or Indian, should be rendered subject to the laws enacted by government in India, Macaulay suggested an alternative as the spokesman of the ruling Liberal Party. Its principle was to "give a good government to a people to whom we cannot give a free (elected) government."<sup>2</sup> By this, he meant some kind of a separate legislature formed by adding to the executive council a professionally qualified legislative member or law member from outside the cadre of the civil service - a choice to be made by the crown. Though designated as an 'ordinary member' of the council, he was to attend only such of its meetings as were specifically called for legislative purposes. Macaulay thus envisaged that the legislature so constituted would in course of time become capable of expansion.

The Government of India Act (1833) accordingly provided that the Governor-General in Council "shall have power to make laws and regulations for all persons, whether British or native, foreigners or others, and for all courts of justice, whether established by His Majesty's charters or otherwise."<sup>3</sup> The laws so made were to be subject to approval by parliament.

Functionally, the addition to the executive council service cadre doubtlessly imparted to it certain features of a separate legislature, especially in procedural terms. But substantially, it did not make a legislative council. The European settlers who constituted the colonial element, the motive force behind the change remained unrepresented. And so was the Indian element, the necessity of whose association with the council was dictated by the bitter experience of the 1857 mutiny. The strength of the legislative members or to 'additional members' as they were called, was, therefore, increased to include both to make a legislative council from considerations of policy under the Indian Councils Act (1861).

But this again signified no separation of administration and politics—a separation which was necessary for a recognition of the civil service as a category, separate and distinct from politicians. This distinction first began with the introduction of the principle of representative government under the Morley-Minto reforms of 1909. It was, however, the reformed constitution of 1919 that first drew, though in a limited field of 'transferred subjects', a clear distinction between ministerial or political responsibility and administrative accountability in the execution of law, both being subject to the sovereignty of British parliament. What the Constitution Act

of 1935 did was to provide for full provincial autonomy on democratic principles, and to reconstitute the centre on the principle of 'partnership'<sup>4</sup> which meant a sharing of sovereign power between India and Britain for a period of transition—a period which was cut short as a result of the World War II which put India on the threshold of national sovereignty. Administratively, the company's civil service grew as an integral group of professionals. Though recruited by patronage before 1855, the civil servants were educated and trained as an elite cadre at Haileybury College before the introduction of the competitive system provided by the Charter Act of 1853 a system which imparted to the service an integral character. For the Act did not exclude Indians from the open competition held in London. Macaulay held the view that any Indian of distinction could enter the company's civil service as a matter of right if through the cultivation of English and western knowledge he proved his worth.<sup>5</sup> It was naturally assumed that the Indian so recruited must already have adjusted himself to western conditions, more especially in terms of institutional functioning, cultivated talents and disciplined morals.

Structurally, the reorganisation of 1892 imparted to the civil service a unified character, necessary for uniformity in the direction of administrative accountability from top to bottom, a hierarchical concept. The All-India covenanted civil service became known as the Indian civil service which was to be supported by the provincial civil service, with provisions for a certain percentage of its cadre being promoted to what came to be known as the 'listed posts' reserved to the superior cadre. It is not within the scope of this article to attempt any analysis of either. What is relevant here is to note that the civil service so reorganised on a rational principle could in its own right proceed to act independently even in matters which touched on policy issues. This happened under Lord Curzon, one of the strongest of heads of government in India. The question involved was one of relationship between government and secretary to government.

An important subject of territorial reorganisation, like the transfer of Orissa to the central provinces remained, for instance, in a state of discussion at the secretariat level without the governor-general being in any way sought to be officially informed about it. The matter came to the notice of Curzon only when the home member made a noting on the file that the subject could not at all be "taken into consideration unless His Excellency approves of the matter". The file was then sent to Curzon who expressed surprise and made the following comments on the file on May 24,

1902:<sup>6</sup>

It seems to me a most extraordinary thing that this discussion should have been going on for more than a year without any mention of the matter even being made to the head of the government .... And yet during this period, secretaries and deputy secretaries have been calmly carving about and rearranging provinces on paper, colouring and recolouring the map of India according to geographical, historical, political or linguistic considerations in the manner that appealed most to their fancy; and finally on January 29th, 1902, Sir C. Rayan recorded that the idea of transferring Orissa from Bengal to the central provinces 'must be dropped' and that the idea of forming Orissa into a separate Chief Commissionership 'cannot be entertained'.

I really feel disposed to ask — is there no such thing as a head of the government, and what are secretaries for but to keep him acquainted with the administration? Would it be considered credible, outside the departments that these really very important issues, affecting the constitution or dismemberment of provinces, should have been under discussion for more than a year without the file ever being sent, or the subject ever being mentioned, to the viceroy?

And yet it happened so. The viceroy was asked to give his assent "without the smallest previous reference to me (the viceroy), or attempt to ascertain my opinion."<sup>7</sup> The secretaries assumed the vice-regal assent to the 'propositions' which they had finalised. That was Curzon's complaint. But the fact was that the secretariat had over the years acquired an entity of its own as an administrative agency possessing power and authority in its own right. It seems that administrative and political functions had become distinguishable even within the framework of the imperial rule. This case of conflict between the two makes it clear that while the bureaucracy asserted its right to work out on its own a basis for decision in all policy matters, the political boss insisted on prior consultation.

This independence, which the civil service showed in relation to the viceroy, flowed in fact from a recognition of distinction existing between bureaucratic and political authorities. Although a civil servant could, under imperial rule, become a member of executive council, a political organ, the non-political character of the ICS under British rule was a thing which appealed to Sardar Patel most. He admired a politically free and non-committed administrative service necessary for independence of judgement. On his

recommendation, the IAS was organised as an elite cadre on the pattern of the ICS in October 1946.

#### POST-1947 DEVELOPMENTS

The post-1947 developments of the country are invested with a compass so wide and varied that it would be presumptuous on my part to tread on it. It is, therefore, proposed here merely to touch on only a few of the important aspects of the subject.

The transfer of power from London to New Delhi signified no change in administrative terms. The structure and the concept underlying it under British rule both continued on the merger of the ICS with the IAS as an elite cadre in 1947. The political system, which was inaugurated in 1950 on the principle of parliamentary government and federal constitution, though essentially based on the 1935 Act, was a new feature, proceeding, as it did, from the basic source of adult franchise and national sovereignty.

The new political system was, of course, commonly recognisable as an ideal foundation for modern public administration. But in the Indian situation, the conceptual rationality of such administration under a democratic system was bound to become subject to debilitating conditions in the absence of a wide social base to sustain the rational concept. For in the west itself, the emergence of such a concept had been a consequence of a developed bourgeois society and capitalist economy. What we proceeded to do in India was the other way round. In view of her social and economic lag, we were, on the transfer of power, obliged to use political institutions as an instrument to fill that gap. This was sought to be done through her administrative agency, conceptually based on rationality, but found sadly wanting in terms of the availability of a social structure for support founded on a comparable principle. That structure is, on the contrary, split asunder by the irrationality of politics, caste and religion. This is an anomaly which perhaps escaped a careful consideration while the new constitution was being inaugurated.

The British succeeded fairly in their attempt to apply their western concepts to India. But their success flowed from their imperialist 'bureaucratic despotism', which demanded respect for law, and from the political advance based on a limited franchise according to the extent of educational progress. We, on the contrary, planned to succeed on the basis of adult suffrage and mobocracy.

The political system introduced in 1950 was itself not free from ambiguity insofar as the location of sovereignty was concerned. The

federalism of the constitution, with provisions for judicial review, made it difficult precisely to ascertain whether sovereignty was vested in parliament or in the supreme court or in both. The controversies raised from time to time over questions of constitutional amendments and the validity or otherwise of legislative enactments, lent support to this state of uncertainty. This is a situation that tends to create confusion as to the precise source of law to which a civil servant is to be accountable in the course of its administration. This ambiguity which flows from an attempt to reconcile federalism with the principles of parliamentary government, raised doubt as to the constitution itself being the source of sovereignty.

A rapid increase in the function of the state under an ideological obsession of a welfare concept was another important feature of the post-independence era. My study on 'District Administration and Rural Development in India' has made it clear that this functional expansion was unrelated to the availability of qualified and trained administrative personnel. Often the result was inefficiency, corruption and financial waste. But more relevant than that was a consequent enlargement of the bulk of 'subordinate legislation' under the rule-making power of the executive, which invested it with a degree and range of discretionary authority that had a natural tendency to weaken the rational concept by setting at naught the basic objective of legislative control and supervision over executive administration, both political and bureaucratic.

Yet another significant development of post-independence period is the increasing infiltration of politics into administration. It had its roots in the imperialist system which resisted the extended employment of Indians in the ICS by refusing to hold simultaneous examinations in India and, on the contrary, permitting entry into it by nomination of pro-British men of wealth and noble birth, regardless of educational fitness. This was a political approach to public administration, introduced at the instance of Lord Lytton (1876-80) in the form of statutory civil service which gave rise to Indian nationalism. With the increasing mass agitation for swaraj as an instrument to secure the Indianisation of the public services in the early 1920s, the civil service began fast ceasing to be viewed as an integral group of professionals bound to carry on the business of government independently of racial, social or political considerations. They began to be identified as Europeans and Indians, a racial category. This was a political virus, capable of growing and multiplying within the administrative structure. It encouraged the organisation of separate service associations of each group. But the trend so encouraged by the politics of employment did not stop with the two broad categories —European and Indian.

## Evolution of the Concept

It affected the various segments of society and government in the name of caste, religion and regionalism a post-independence development which tends to erode the foundations of the rule of law.

In the absence of adequate security of service and rational approach to postings and transfers, the Indian Administrative Service seems to have started bending to politics. But instances are not found totally wanting of men who choose to resist. Under the pressure of politics, an irrational category, the conceptual rationality of public administration tends to get blurred but continues nonetheless.

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# Public Accountability : Context, Career and Confusions of a Concept

V. Subramaniam

PARLIAMENTARIANS, PUBLICMEN, politicians, professors and the press have all been bemoaning the decline in public accountability of the executive in modern government for at least three decades. This wailing has three main features. Most of the discussion has been pessimistic with the implication that the down-grading of the accountability of the rulers to the ruled and of the executive to parliament was deplorable but inevitable. Secondly, the three related aspects of public accountability, namely, accountability in regard to public funds, public responsibility in regard to the use of governmental power by politicians, and civil servants and the executive's responsiveness in regard to anticipating public needs and sensibilities are all lumped together in the discussion. Thirdly, few people note that the enormous interest shown in the techniques and content of making public policy runs somewhat counter to the concept of public accountability, insofar as expeditious and expert making of public policy, ignores some considerations of public accountability. This brief essay cannot attempt to disentangle the threads of contemporary discussion nor suggest remedies for a deteriorating situation. This exercise concentrates on three points, namely, the context of the evolution of ideas of public accountability and responsibility, the causes for the debilitation of the practices of accountability and some of the usual and unusual cures suggested.

## CONTEXT

The concept of public accountability evolved mainly in England in a mixed atmosphere of decaying feudalism and rising commercialism.<sup>1</sup> The meagre surplus of a feudal agricultural society was slowly being augmented by the commercial classes. The king wanted a part of this surplus mostly to fight foreign wars and partly to maintain law and order at home. The commercial classes were not directly interested in either but wanted prudent spending of their hard earned surplus



and some account of how it was spent. The concept emerged during the hundred years of war and was refined before and during the civil war in Britain with the tracts of Milton and several others. It became still clearer during the reign of Charles II when the concept of public debt was added to that of accountability. It is essential to bear in mind these commercial origins to understand its further refinement during the emergence of modern liberal democracy under the Hanoverians. During this period, the three pillars of public accountability were constructed in a gradual and orderly fashion by Walpole and Pitt the Younger and were later given modern shape by great parliamentarians, like Gladstone and civil servants, like Sir Charles Trevelyan.

The first pillar was the convention that the executive or the cabinet alone had the power to initiate a proposal for expenditure while parliament could criticise it and examine the accounts after execution. The second was the supremacy of the treasury over all other departments in coordinating and presenting the estimates of expenditure, and controlling it thereafter. The third was the doctrine of ministerial responsibility, i.e., holding the minister responsible for all acts of civil servants under him in his department. These three pillars are complementary in regard to public accountability. Parliament could not hold the executive accountable for spending public money unless the executive was given a monopoly of initiative in regard to expenditure. The executive consisting of several ministers cannot face this responsibility unless one minister in-charge of the treasury coordinated all proposed expenditure and controlled all incurred expenditure. Further, since the actual expenditure in the field was incurred by the civil servants, the only way of holding them responsible was through the minister in-charge of the department. This logically perfect structure was put together in the late 19th century on the unstated major premise that government expenditure was a small part of the total expenditure of the nation. It was the most convenient way in which that small part of the population paying taxes could bring home some vague responsibility in regard to the spending of their tax money. To sum up, the context of the evolution of public accountability was that of a limited liberal democracy, run for a small part of the population by a microscopic minority of gentlemen politicians, against the background of emerging capitalism.

Government expenditure concerned only a small part of the population but government power in regard to law and order, transport and control of working conditions affected the majority of the population. It was here that public accountability in regard to the use of power was much more important for an expanding democracy and the

doctrine of ministerial responsibility was fashioned in Britain more in regard to control of power than in regard to the control of expenditure, in a mood of belated acceptance of the need for bureaucracy.

During the late 18th and early 19th centuries, the British ruling class refused to develop an elaborate system of administration and most of it was carried on voluntarily in the field by the country squire and in London by members of parliament working together in boards. This was in accordance with the gentlemen amateur ethic<sup>2</sup> developed by the ruling class in the decades following the Glorious Revolution of 1688. For our purpose, this system of voluntary administration involved an idea of responsibility and accountability based partly on the representative character of the rulers and partly on the assumptions of the gentleman ethic itself. By contrast, in western Europe, the absolute monarchs, Louis XIV and the great electors of Prussia, were developing a bureaucracy which was efficient but not publicly accountable. It was designed as an effective instrument of royal control and of modernising society without any public accountability to the governed. The British elite held this in contempt but, by the middle of 19th century, it became clear that the voluntary system of administration was totally inadequate and there was need to borrow the continental machinery of bureaucracy to carry out the tasks of administration. The liberal democrats of the 19th century reconciled to the use of an appointed and salaried bureaucracy not directly responsible to the people with their limited democracy by the invention of the doctrine of ministerial responsibility. A department of government was held to be simply an extension and an emanation of the minister and it was assumed that holding him responsible for all the actions of the civil servants of the department was enough to satisfy the requirements of liberal democracy. This facile assumption seemed plausible because of the limited activity of government in those days.

On the other hand, western European countries, which had longer experience of bureaucracy that was not publicly accountable, had no such illusions. When they established democratic systems, instead of trying to make a minister responsible for a substantial part of the bureaucracy, they tried to make the bureaucracy itself more directly accountable to the people through administrative courts and devices like the ombudsman. In Britain, however, Professor Dicey's fanatical criticism of continental administrative courts and the naive belief in the workability of ministerial responsibility ruled out these techniques. It took two generations to realise the near futility of the Rule of Law as an instrument for making the executive and the bureaucracy publicly accountable<sup>3</sup>.

Anglo-Saxon political thinking also adopted another device to buttress public accountability, namely, that of separation of powers and mutual checks and balances. These ideas were developed by Montesquieu and Locke. Montesquieu over-interpreted the British political system as one in which power was divided into three branches of the executive, the legislative and the judiciary each checking the other and thereby making them publicly accountable. This theory of separation of powers was fully carried out in practice in the United States constitution though in Britain itself the executive and the legislative branches were not separated at any time and have virtually become mutually supportive of each other with the development of party discipline. Locke put forward a much more general argument for mutual checks and balances in a political system so that power-holders were institutionally held accountable to other power-holders. Montesquieu, however, realised that the theory of separation of powers applied fully only when government activity was limited and slow. Locke's liberal democratic system also implied very limited governmental activity.

To repeat the main point of our exploration, the concept of public accountability and public responsibility developed in Britain in a very narrow context of limited governmental expenditure, limited governmental activity, limited liberal democracy, and a limited administrative structure.

The British concepts were adopted in different ways by the Anglo-Saxon and Afro-Asian Commonwealth countries. The former demanded responsible government in the third quarter of the 19th century when these concepts were taking shape in England. At the same time, the experience of colonial administration itself contributed to the fashioning of these concepts. Thus, the doctrine of an executive responsible to parliament, the dominance of the treasury and the doctrine of the ministerial responsibility were all taken over with some local modifications in the Anglo-Saxon colonies. At the same time, social conditions in colonial society involved greater governmental participation in economic development and greater administrative activity than in Britain. In Australia, the ideas of egalitarianism along with the evolution of a strong trade union movement diluted the dominance of the treasury. But all told, the system of public accountability in the Anglo-Saxon colonies was broadly similar to the British system in its early stages. In the Afro-Asian colonies, however, there was no public accountability in the British sense of the word as these countries were ruled by an appointed civil service responsible only to the appointed governor-general at the top. But the freedom movement in these countries was strongly influenced by British liberal ideas and they demanded a

replication of the British system of public accountability in all its details. As a result, they took the doctrine of ministerial responsibility and that of treasury control of the expenditure more seriously than in Britain, but modifications were introduced by the compulsion of events.<sup>4</sup> Thus, in African countries, the politicisation of the civil service and the establishment of the one-party state with the supremacy of the party have diluted the doctrine of ministerial responsibility considerably.<sup>5</sup> Similarly, the acceptance of centralised planning, as the basis of economic development, has also diluted treasury control in many Afro-Asian countries.<sup>6</sup> But the basic theory and practice of public accountability has retained the 19th century British pattern.

#### CAUSES OF DECAY

There is widespread agreement among politicians, public men and scholars that in modern government the degree of public accountability is very low indeed. There is also much agreement that the basic cause is the enormous expansion of governmental activity in the economic and social welfare and in many other spheres. Some of the distress expressed about the decline of public accountability may be due, in part, to some exaggerated ideas of the high degree of public accountability under Peel or Gladstone, but this is only a small part. Ministers in almost every country admit indirectly and even directly that they know very little of what is going on in their departments and less in the public corporations under their jurisdiction. Back-benchers of the ruling party and the members of the opposition often find it even more difficult to collect details for informed criticism except when something goes wrong blatantly. The criticisms of the auditor general and of the public accounts committee have begun to fall flat by repetition. There is, thus, an overall public admission of poor accountability in modern big government.

We may spell out briefly the expansion of governmental activity and its impact on accountability, particularly because the expansion is lumped together in public debate as unidirectional and not dialectical. The causes of expansion were considerably different after the publication of the Communist Manifesto and the Russian Revolution even though government had indulged in all sorts of monopolistic trading activities through chartered companies in the 18th and 19th centuries. The Communist Manifesto started a chain reaction with Bismarck in Germany, creating some of the elements of the welfare state through his pension and insurance schemes.<sup>7</sup> The Russian Revolution and the rise of the trade union movement hastened

this process in several western democracies. The great depression led to the rise of Keynesian economics which legitimated massive government intervention in the economy for saving both capitalism and the welfare state. The World War II and the post-war period produced a new world-wide demand for economic development. In the developed countries, this led to the total involvement of the government in supporting their entrepreneurs and capitalists in all their foreign ventures. In developing countries, this led to an obsessive commitment to public enterprise as the quickest method of economic development. The chain reaction seems to have reached its limit by now with government invading the spheres of culture, sports, and leisure.

This fast expansion has introduced two factors, both debilitating public accountability and public responsibility. The Gladstonian concept of public accountability made sense when government appropriated a small part of the GNP as taxes and accounted for it in terms of ordinary house-keeping criteria of prudence and parliamentary criteria of spending money under the heads voted for. The rules of prudence for public as well as private expenditure were the same and could be based on comparisons. In modern public finance, the proportion of GNP directly handled by the government as taxes and public debt and indirectly controlled by the government through control of banking and the corporate sector is so high that comparisons become meaningless. The ideas of profit and marginal cost make sense in terms of small economic sub-systems in a macro system and lose their substance in terms of overall system maintenance. In fact, the loud cry of losses in all public enterprises, heard all over the developing world, is quite misleading for one needs entirely new measuring devices when a large part of the GNP passes through the hands of a centralised government as taxes or debt or investment and nobody has come up with a satisfactory solution of the problems of measurement in a system-maintenance context.<sup>8</sup>

On the non-financial side, the enormous expansion of government activity has meant the handing over of almost all powers of decision making to appointed bureaucrats (whom the elected politicians as ministers are unable to control) through: (i) delegated legislation, (ii) administrative tribunals, and (iii) in policy making. The volume of legislation made to legitimise and control various government activities is so large that the ministers and the legislature draw only the barest outline, leaving all the important details to be filled up by the civil servants, with a token opportunity for challenge later by the legislature. Secondly, when administrative acts under the various rules and regulations made by the civil servants are challenged, the appeal is made in the first instance to

administrative tribunals run by the civil servants themselves. Thirdly, the making of government policies, both economic and non-economic, has become so technical that most of the work is done by the top civil servants with just rubber stamping by the cabinet and the legislature. Put together, these three processes have vested practically all powers of decision making with the appointed bureaucrats with only notional control by the political executive.<sup>9</sup> The doctrine of ministerial responsibility was totally inadequate in practice to cope up with all these.

The decline and disappearance of ministerial responsibility has been well-documented in most parliamentary systems. Starting with Professor Finer's article,<sup>10</sup> several others have documented in detail how: (a) ministers know very little about what is going on in the department, (b) they know even less about the public corporations under their general supervision, and (c) due to the nature of this responsibility, any punishment for failure is non-existent. To sum up the literature briefly, it was perhaps possible for Peel or Gladstone in the last century to be conversant with all the details of departmental administration, but with the increasing size of departments, complexity of their work and increasing political work of the minister in a mass democracy, this control is totally impossible. Secondly, public corporations which were initially kept away from ministerial control have in most parliamentary systems been brought under the overall supervision of ministers. In this case, except for a general control of policy, it is impossible again to be conversant with administrative details. Thus, public corporations and departments have grown to be much alike in being run by civil servants with very little supervision from the minister. The earlier assumption that a minister can be held responsible for some dereliction or misdeeds of the civil servants and be punished with loss of office is no more true. All efforts to redefine ministerial responsibility more narrowly following the Crichton<sup>11</sup> Down case have proved to be of little use. In short, except for a vague moral responsibility to be defined according to the convenience of the minister and the prime minister, the doctrine of ministerial responsibility is either dead or dying.

#### CURES AND CURES

The problem of public accountability thus seems to be well nigh insoluble. Stated in its extreme form, it would read as follows: The major part of all the financial resources of a democracy seems to be in the hands of the government through taxes, debts and financial control of investment institutions; similarly most of the

major decisions about all social activity from law and order through health, social welfare and employment on to culture and leisure are vested in various government ministries and agencies. This enormous concentration of financial and non-financial powers is in law and in theory exercised by a small political executive responsible to an elected legislature which is responsible to the electors. But this legal chain of responsibility is almost totally nullified in several ways. The executive instead of being responsible to the legislature controls it through party discipline in liberal democracies and by fiat in one party democracies. The legislature is itself hardly responsible to the voters, except on occasions, as clearly one-third to half of the voters never exercise their vote and the rest exercise it with apathy. The political executive, which thus seems powerful, is really an ignorant prisoner in the hands of the appointed bureaucratic experts who are not directly responsible to anybody. This dismal picture is modified at the margins by some devices which tone down its harsh outlines without affecting the picture itself. Thus the judiciary criticises the executive but only when cases come before it; the auditor general makes detailed criticism of financial management but not of the use of power. The administrative courts, where they are independent, and institutions, like the ombudsman, pick on the faults of the executive in specific cases and, lastly, the press can and sometimes does, concentrate criticism on overall governmental policies as well as specific acts when it can escape from its normal frivolities and trivialities. But the total picture is one of irresponsible power and non-accountable financial management.

Against this dark background, let us examine some of the remedies suggested. We may classify them as remedies of withdrawal and remedies of extension and modification. The former type assumes that no further accountability is possible in modern centralised polity and economy and suggests various methods of decentralisation and simplification. One such overall remedy suggested in different forms amounts to tracing our steps back from total governmental control of finance and social activity to minimum control. The problem of control is seen as of size and one of complexity. The more the public expenditure grows, the more difficult it is to keep account of it. Secondly, the more the number of public organisations spending money one way or the other, the more difficult it is to keep track of them and their cross-relation by the lay politician and the lay multitude. Reduce them both to manageable size and the average politician elected by the average voters would be able to keep track of public expenditure and hold the executive accountable. The remedy is also suggested differently in terms of the severe

limits on fixed human resources by advocates of the Club of Rome, suggesting less economic activity and zero growth to avoid financial disaster. A third variation of the remedy is the Gandhian one of decentralised village government with some level of self-sufficiency. The closer the unit of government is to the people, who elect them, the more efficient and more accountable it will be. A similar remedy has been suggested by modern syndicalists in terms of elective control of all economic organisations. Thus, every public enterprise can be governed by an elected assembly which will scrutinise its accounts ruthlessly from the viewpoint of customers and clientele. The sad thing about all these 'withdrawal' remedies is that very few people are prepared to try them out. The majority of voters have got used to a centralised government with some of its advantages, regardless of its low level of public accountability.

Looking at the remedies of extension, Professor Hirschman's 'Exit Voice and Loyalty' claims our attention first. Private enterprise is kept accountable by the consumer and the share-holders by threats of withdrawing custom and capital, a phenomenon which Hirschman calls 'exit'. On the other hand, in political organisations, like political parties or parliament, those who disagree voice their protest but stay within the organisation loyalty without exiting. This voiced protest plus loyalty promotes another type of accountability. Both techniques have serious limitations and Hirschman suggests that there be some exchange of these techniques between the economic and political spheres. The argument is elegant and plausible but weak in practice because the economic sphere, so far as the consumer is concerned, has very few doorways of exit because of monopolistic practices. Similarly, exit is already practised in the political sphere by the apathetic non-voters and the back-benchers. As such Hirschman's suggestions are likely to produce only marginal results.

Another set of suggestions emanating from parliamentarians and academics simply asks for more extended and sincere use of existing controls and more side-techniques to buttress them. Thus, they suggest a more extended and intensive use of parliamentary committees to enforce the accountability of the executive both for expenditure as well as use of power. They point out that the system of congressional committees works well in America and with the fall of Nixon, it has got its second wind. Thus, they suggest whole-time parliamentary committees not only for estimates and public accounts but committees on administrative tribunals, public enterprises and so on. Secondly, they also suggest extended use of controls and checks of field authorities on civil servants through administrative courts as well as institutions, like the ombudsman. There is some-



thing to be said for this suggestion to use higher doses of the old medicine instead of seeking new ones. Obviously, such extended use has produced some tangible results in countries like Canada where the level of public accountability was visibly low. But the problem deserves a much more fundamental analysis than intensive use of old remedies.

The basic problem may be restated sweepingly as follows: Most of the expenditure is incurred in the field and most of the power is exercised by appointed civil servants and the very small political executive, and the slightly more numerous parliament cannot control the machinery and its working, except vaguely, for two reasons, namely, small numbers as well as poor knowledge. The dilemma of the lay politician pitted against the appointed experts can be faced squarely only if the former is prepared to undergo a considerable amount of technical education. Thus, a continuous process of compulsory adult education in several aspects of administration and governmental activity is necessary to equip the politician to face the expert. To a large extent, the Soviet Union and communist regimes have recognised this bitter necessity. Similarly, the public as a whole can and must be brought into the picture by regular education in citizenship and by wider access to all government information. In a reasonably organised society, it should also be possible to force every expert to spend half of his career on one side of the desk as a performer and the other half on the other side of the desk as critic. All this needs to be spelt out. What is clear is that there are no easy solutions to the mounting difficulties of the problem of public accountability and responsibility.

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2. For discussion in detail on the context and content of this ethic, see V. Subramaniam, *TRANSPLANTED INDOBRITISH ADMINISTRATION*, New Delhi, Ashish Publishing House, 1977.
3. Brian Chapman, *THE PROFESSION OF GOVERNMENT*, London, Allen and Unwin, 1959, p.192.
4. For example, in India in the early days of independence, it was more usual for ministers to resign if anything went wrong in the department. But this convention has more or less gone into the background now.

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5. For example, in Zambia, when the one-party state was first established in 1973, some senior ministers like Mwanakatwe refused to join the cabinet because they felt that the Party's Central Committee will dictate policy to them and they will be held responsible for its execution through the civil service.
6. Wherever a separate planning commission or planning body has been established, there has been a certain amount of rivalry between that and the treasury.
7. My interpretation of the development of the welfare state and Keynesian Economics has a dialectical reaction to the Communist Manifesto is drawn partly from the work of neo-Marxists researching on the welfare state.
8. A number of researchers, like R.L. Wettenhall, have tried to evolve some type of performance measurement for public enterprises in a government dominated economy. For some of these efforts, see G.H. Daniel, "Public Accountability of the Nationalized Industries", PUBLIC ADMINISTRATION, London, Spring 1960, and also Douglas Mitchell, "Accountability and Performance in Public Enterprises: The British Debate", PUBLIC ADMINISTRATION, Sydney, December, 1982. They are generally based upon ideas from cost benefit analyses and some ideas of marginal cost. But all such ideas from micro-economics become less applicable and less sensitive in situations where government controls major part of the GNP. We have yet to evolve some new measures and criteria for this type of situation where system-maintenance is more important than sub-system efficiency.
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10. See, S.E. Finer, "The Individual Responsibility of Ministers", PUBLIC ADMINISTRATION, London, 1956, Winter.
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# Accountability in Public Administration : Towards a Conceptual Framework

**Shriram Maheshwari**

ACCOUNTABILITY IS at the heart of every government regardless of its precise form or pattern in which it is organised even though what varies is its focus, structure or mode of its articulation. A despotic regime is second to none in keeping the administrative system accountable, but this accountability is designed on the terms dictated by the top ruler. In a democracy, on the other hand, accountability inevitably acquires a much larger dimension for the fundamental reason that it derives its legitimacy from the people at large and its basic parameters, too, change.

The word 'accountable' seems to have come into usage in the English language for the first time in the year 1583, and the context was financial. Even today, financial accountability is an important part of it so much so that many public servants show their concern only for it and in the process either forget or conveniently ignore other equally vital components of accountability. The concept is a comprehensive one and covers all the activities undertaken by the government. Shorter Oxford English Dictionary defines 'accountable' as "liable to be called to account, responsible (to, for)". Webster's New International Dictionary of the English language gives a similar definition, explaining it as "liable to be called on to render an account". This definition is important, in the sense that it distinguishes it from a term like 'control'. Strictly speaking, 'control' is contemporaneous with an action or event whereas accountability is post facto in nature: it is only after an act has been accomplished that one is called upon to render an account of it. Of course, an awareness of being called upon to account is most likely to induce a certain behavioural and attitudinal change in the performers and may thus have an anticipatory effect. But the terminological purity demands its definition in the above mentioned way. Over the years, however, a certain looseness has come to characterise its usage and it subsumes all that which is covered by 'control'.

## THE CONCEPT OF ACCOUNTABILITY

"Accountability, like electricity, is difficult to define, but possesses qualities that make its presence in a system immediately detectable." Thus observes the Royal Commission on Financial Management and Accountability, set up in Canada in 1976. The Commission continues:

To touch a live wire in a circuit is enough to establish the presence of electricity without further need of definition. The shock of recognition that attends the presence of accountability in a system of government may not be quite as direct, but it is nonetheless detectable. We see accountability as the activating, but fragile, element permeating a complex network connecting the government upward to parliament and downward and outward to a geographically dispersed bureaucracy grouped in a bewildering array of departments, corporations, boards, and commissions. Accountability moves through this network like the current in a circuit but always in some sort of relation to the control centre, the cabinet. The dispersal and structural complexity of the bureaucracy makes the control centre vulnerable to stoppages and short-circuits of overloading. The control centre, the government, although ultimately responsible for answering to the legislature, may find itself out of touch with what is happening, or failing to happen, at the other end of the network. Similarly, a signal from the centre may never reach the departmental unit or agency concerned or may reach it in so confused a state that judgements as to performance become impossible to make.<sup>1</sup>

It is thus quite obvious that administrative accountability is an organisational imperative because first and foremost, it purports to evaluate its performance in terms of its goals. The goal is split up into definite tasks and responsibilities, and it is the individual administrators who are called to render an account of how they are discharging their responsibilities. Accountability is a concomitant of administrative responsibility, being, so to say, the obverse side of the coin, and thus construed, it is intrinsic to any organisation: concepts like hierarchy, span of control, unity of command, supervision, etc., are all accountability-promoting and enforcing mechanisms. So is the annual budget. But all these devices have to be properly sensitised, because accountability carries meaning only when it closely and firmly relates itself to the basic tasks and objectives of an organisation. Administrative accountability, one must always remember, is achievement-oriented;

this is its acid test. One may convey the thrust of this argument by paraphrasing it differently. What the North Star is to a mariner the organisational objective is to a public functionary. But accountability imposes other disciplines also. Necessarily, the resources, both human and financial, available to an organisation are limited, and these require to be reconciled with the main objectives. Administrative accountability seeks, in other words, to ensure optimisation of the available resources and at the same time to realise the organisational objectives. In addition to these core functions, some other purposes are also served by accountability. As the functionaries in a public organisation are under no obligation to raise their own resources, which instead come from the fund-providing agency more or less in an assured form, they may show tendencies of personalisation and privatisation of public resources, which must be strictly guarded against. This must be underlined, for misuse of public resources is notoriously widespread in many developing countries and top-level personnel evince a low commitment to their most effective utilisation. Above all, the ordering constitutional and political system of the land also places each public functionary within a framework of control and accountability, and to this end, a number of tools and mechanisms have been designed and put into operation. A correct perspective of accountability may be gained with a much sharper focus when a public functionary so socialises himself as to look at his official work strictly from the viewpoint of an ordinary citizen or, to be more apt, the 'daridranarayan', i.e., the poorest of the poor, to quote Mahatma Gandhi. All these appear to be essential in the immediate context of the expanding and activist government from which no escape is apparently possible. With the government taking up a vast array of new and novel functions, more so in social and economic fields, it becomes absolutely necessary to keep a continuous watch over them to find out how they are performed and, further, whether what is planned is indeed achieved or not. These call for the maintenance and orchestration of a system of accountability of the executive. Executive's responsibility to the legislature, legislative surveillance, judicial review, audit, control, financial advisory system in ministries, etc., are among the elements of a system of accountability so organised. These, in practice, are reinforced and supplemented by mass media, political parties, interest groups, political and electoral process, watch-dog organisations existing in the society, etc.

## MAJOR FORMS OF ACCOUNTABILITY

Accountability has two facets, somewhat separate but inter-related. The first one is basically political, and in a parliamentary system of government like ours the executive is kept under an obligation to give an account of its performance to parliament, and the latter has many devices and instrumentalities to this end. The second facet is primarily administrative and the executive in its turn holds the administrators in departments and other public agencies accountable for how they carry out their responsibilities. These two are complementary and they together constitute the foundation of a responsible government.

It is the executive's accountability to parliament which gives to such a system of political arrangements the nomenclature of parliamentary government. Why should the executive be accountable to parliament? The supreme executive authority in India is vested in the President of India, and the most important acts of state are performed in his name. But the President of India has been put under a firm constitutional obligation<sup>2</sup> to act in accordance with the 'aid and advice' given by the council of ministers with the prime minister at its head. As the president is bound by the advice given by the council of ministers the latter alone may be called to account.<sup>3</sup>

The executive's accountability to parliament is total and unabridged; and to assert such a relationship the latter has many ways and many occasions. The executive is obliged to remove people's grievances. Indeed, the redress of people's grievances precedes the grant of 'supply', that is, taxation. Besides, before the parliament grants funds to the executive it must satisfy itself about the merits of policies for which funds are needed. It also logically follows that parliament wants to ensure that the money so granted is spent on purposes for which the grant was accorded.

Parliament, thus, not only controls the purse but also puts the executive under its check and control for the whole gamut of its activities and to this end it has at its beck and call numerous tools as well as opportunities, such as parliamentary questions, adjournment motions, vote of no confidence, discussion on demands for grants, calling attention notice, half-an-hour discussion, zero-hour discussion, etc. The various conventional tools and mechanisms of enforcement of accountability may be viewed as falling within two broad types. The first type includes devices which are concurrent and contemporaneous and, thus, are of day-to-day application. Many of the parliamentary opportunities, like interpellations, adjournment motions, vote of no confidence, discussion on demands for

grants, calling attention notice, half-an-hour discussion, 'zero-hour' discussion, etc., fall in this category. This category of accountability is in the nature of control, strictly speaking. The second type of accountability is post facto in nature, which means that it activates itself after some action has already taken place. This, in a way, is post-mortem which is undertaken by way of evaluation of the work under scrutiny. Audit and the various committees of parliament exercise control after the event has occurred, and the thrust of this category of investigation is to find out why and how a particular item of work has been done. This is more in the nature of accountability than control.

This manner of classification is important from another angle too. The first category of accountability-enforcing mechanisms is basically directed against the political executive and is thus of a political nature. Tools like adjournment motions, no confidence motions, parliamentary interpellations, etc., are, in India as elsewhere, politically motivated and are aimed at the political executive. In contrast to this, the second type of accountability makes the career bureaucracy as its target and is, so to say, administrative in nature. Precisely because of these reasons, it is non-partisan in character, uninfluenced by those political considerations which weigh when, for instance, an adjournment motion is moved in the legislature.

#### Collective Responsibility

The council of ministers is accountable to the lower house of parliament, and the former is bound by the concept of collective or joint responsibility, which is the kingpin of the parliamentary system of government. The logic of the concept should be clear to all. In a parliamentary government, the party commanding a majority of votes in the Lok Sabha enjoys the prerogative of forming and running the government. Each of its members is thus required to secure that his policies command the agreement of his colleagues. The whole council of ministers has to resign if an important issue affecting any minister gets rejected by the Lok Sabha. A minister thus swims and sinks along with his other colleagues in the council of ministers. Within the council of ministers, of course, he persuades his colleagues to accept his proposals, and a strong minister would always carry the day. If, however, he fails to obtain the agreement of his colleagues on a policy which he considers to be very important or if he feels that he does not agree with a policy made in the cabinet and which he cannot publicly defend he must resign.

### Ministerial Responsibility

The concept of collective responsibility does not imply that all matters of governance are discussed and approved in the cabinet; the rules and regulations have clearly specified the types of matters which are brought before the cabinet, the remaining ones being left to the care of individual ministers for their decision-making. The personal accountability of each minister to parliament extends to all matters within his competence, which is as basic a principle of the constitution as is the rule of law. A minister is accountable to parliament (Lok Sabha, to be precise) for his own actions --- or lack of them --- as well as for all those of civil servants serving in the ministry under his charge. The civil servants are protected by the well-known principle of anonymity. Parliament holds the minister responsible if something in his ministry goes wrong, even if he did not have knowledge of that or did not even approve of that. The minister's responsibility to parliament without any qualification or modification is the essence of ministerial responsibility.

It, however, does not follow that the concept of ministerial responsibility gives blanket protection to the civil servants. Vis-a-vis parliament, the civil servant is always protected; the former would be after the minister's head if something in his charge goes wrong. This point needs further elaboration.

There may, in theory, arise four kinds of situations. First, if a civil servant carries out an explicit order of the minister, the latter must protect him and take the entire responsibility when questioned in parliament. Secondly, if a civil servant acts properly, in accordance with the policy laid down by the minister, the latter must protect and defend him. Thirdly, if a civil servant commits a mistake or causes some delay but not on an important issue of policy and not where a claim to individual rights is seriously involved, the minister must acknowledge the mistake and accept the responsibility, although he is not personally involved. It is only in the fourth category of actions that the erring civil servant earns, at his minister's hand, and, what is more, publicly, the blame, although here, too, the minister continues to be accountable to parliament. This category includes situations where action has been taken by the civil servant of which the minister disapproves and has no prior knowledge, and the conduct of the official is plainly reprehensible. In such situations, the minister is not obliged to endorse what he believes to be wrong or to defend what is clearly shown to be error of his officer. Herbert Morrison even permits public naming of the erring official under certa



situations. He writes:

There is a circumstance in which I think a considerable degree of frankness is warranted. If a minister has given a specific order within the department on a matter of public interest and his instructions have not been carried out, then, if he is challenged in the parliament and if he is so minded he has a perfect right to reveal the facts and to assure the House that he has taken suitable action. Even so, he must still take the responsibility. It is, I think, legitimate in such case that disregard of an instruction should be made known even if it involves some humiliation for the officer concerned and his colleagues knowing that he was the one who disobeyed: for the civil service should at all times note that the lawful orders of minister must be carried out.<sup>4</sup>

T.T. Krishnamachari, Finance Minister in the Nehru cabinet, who resigned in 1958 on the life insurance corporation affairs, had probably such a circumstance in his mind when he said: "It would be impossible for any minister to accept the dictum that he must take full responsibility for the acts of his subordinate without being permitted to say that his subordinate did not reflect his policy or acted contrary to his wishes and directions."<sup>5</sup> Even such a situation, nevertheless, does not absolve the minister of his accountability to parliament. As Jawaharlal Nehru observed, while accepting the resignation of Krishnamachari: "You very rightly say that according to our convention the minister has to assume responsibility even though he might have very little knowledge of what others did and was not directly responsible for anyone of these steps."<sup>6</sup> Justice M.C. Chagla, who had constituted one-man commission to investigate into the LIC affairs had observed in his report: "The doctrine of ministerial responsibility has two facets. The minister has complete autonomy within his sphere of authority. As a necessary corollary, he must take full responsibility for the actions of his servants."<sup>7</sup>

This concept, as developed in the foregoing para, needs to be further clarified, particularly in the context of the emergence of party system in general and party discipline in particular. If this concept is applied in its rigorous form, the minister himself should appear before the parliamentary committees, to give an account of the functioning of departments under his charge. Similarly, the minister should resign even if a minor official in some remote part of the country commits some wrong either deliberately or innocently. The civil servant, who wants to see his minister out, may do things

which may excite the fury of the legislature and raise demands for the resignation of the minister. One should, therefore, inquire whether the minister should really be held responsible in such cases. In case a minister is to be held responsible for all that happens under his charge before the legislature, he may be excessively cautious and demand that all or most matters be compulsorily referred to him, a situation which would render the conduct of administration impossible. Also, the civil servants knowing that the matters might be discussed in the legislature would hesitate taking any action and develop the habit of referring all matters to the minister. In such a case, too, administration would come to a halt.

The political fact is that even in the case of serious mismanagement the minister is rarely visited with extreme legislative wrath because of the majority behind him. How many ministers resign when there is proven mismanagement of affairs under them? So long as the minister enjoys the support of his political party, in general, and of the prime minister, in particular, he cannot be dislodged from ministership: a political fact which demonstrates the practical limitations of the concept of ministerial accountability.

Even in its pure and pristine form, ministerial accountability has obvious limitations:

1. It is just a convention; without any legal sanction behind it. It is essentially a matter of conscience, a moral principle.
2. It is limited by sheer common sense. If some railway station master has misbehaved with the public, there will be no demand for the railway minister's resignation. Similarly, if there is drought, the minister of agriculture is not asked to resign.
3. A minister continues in his office so long as he enjoys the confidence of the prime minister.
4. If the minister is an important leader of his party and commands its wide support, he is always sought, never sacked.

#### OTHER TOOLS AND MECHANISMS

Reference so far has been made to the external aspect of accountability. Accountability has an internal aspect as well. All civil servants working in a ministry are accountable to the minister. As the minister is responsible to the legislature for actions (including inactions) of the civil servants, the latter must obviously be held accountable to him. This boils down to the

following:

1. The civil servants must know well their minister's mind and seek faithfully to project it in what they do.
2. They must observe, in all their official transactions with citizens, due process of law and laws of natural justice.
3. They must remain alive to the sensitivities of the legislature and must abjure from doing things which might embarrass the minister, particularly in his relationship with the latter.
4. They must be responsive to the larger public opinion.

Accountability is made more specific and is ensured by a complex of organisational and procedural devices. Hierarchy is itself an accountability-fixation exercise.<sup>8</sup> Therefore, without adequate control and supervision over the actions of the lower levels, accountability can hardly be enforced. Span of control, unity of command, inspection, supervision, etc., are other well-known accountability-facilitating devices. Noting is also a mechanism of accountability. To ensure financial accountability, a financial advisory system is now a part of each ministry. Lateral agencies like the ministry of home affairs, ministry of finance, etc., are other accountability mechanisms. Nor should one forget that audit is a powerful tool of accountability, so powerful that the comptroller and auditor-general is one of the topmost constitutional functionaries of India and is independent of the executive.

Although, as said earlier, the minister has complete autonomy within his sphere of authority, he must soon learn, in order to survive, how much to do himself and where to stop. He must, in other words, concentrate on major matters of policy and leave tasks of day-to-day administration to the career civil servants. As Sir Warren Fisher has stated:

Determination of policy is the function of the minister and once a policy is determined, it is the unquestioned and unquestionable business of civil servant to carry out that policy with precisely the same goodwill whether he agrees with it or not.<sup>9</sup>

No hard and fast rules can be laid down about matters which need compulsorily be referred to the minister for his decisions: the secretary, the administrative head of the ministry, should know well his minister's mind and devise the reference-schedule accordingly. G.A. Campbell, in his book, 'The Civil Service in Britain',

observes:

A problem in all departments is that of deciding how much to refer to a minister. If a large number of cases are submitted, the political head may not be able to study the papers properly and may give decisions which show that he has not appreciated the problems: on the other hand, if the officials, send only what they consider to be the most vital matters, the minister may feel that he is being kept in the dark. What is a vast load to a politician not very competent at paper work will be tackled readily by a quick reader with an orderly mind and the gift of concentration. The experienced minister will have acquired the knack of picking out what is important in official files and of giving his directions clearly.<sup>10</sup>

Every minister has his own style of work. But it may, perhaps, be safely observed that he should generally shape and formulate policy, leaving day-to-day administration to the civil servants under him. He should ensure accountability, among others, by selecting and scrutinising cases on random basis and by invoking the managerial principle of rule by exception.

#### A CRITIQUE OF THE CONVENTIONAL MECHANISMS

The mechanisms designed to enforce accountability are the products of an era when public administration was small in size and what is more, engaged in tasks of simple character. Today, public administration has grown too big and complex and subject to multiple pressures of varying intensities with the consequence that the conventional tools of accountability enforcement are proving to be distressingly weak and ineffective. A study conducted by the present author some time ago about the parliamentary control over the executive in India showed: "Parliament, as presently constituted, is no match for the executive... it follows then from the foregoing that the classical mechanisms to keep the executive under control are found to be insufficient and inadequate. The fact is that the power of the present executive has enormously expanded. This, among others, calls for an alert judiciary, vigilant parliament, fearless watchful press, and powerful watchdog organisation." The study continued: "It is vital...that these institutions move forward to restructure themselves, re-design their business practices and reinforce themselves. Moreover, when a bureaucracy is unavoidable and inescapable, efforts must simultaneously be made to humanise and professionalise it."<sup>11</sup> Besides, parliament must insist

on getting adequate information about the functions and activities of each department. At present, it gets but an annual report of each ministry which is too inadequate to make accountability a feasibility. The flow of information to parliament is inadequate and moreover not in time, and thus one may not be able to form a sufficiently reasonable judgement on the functioning of the executive. Besides, parliament does not appear to have a consistent understanding of its own role. It presently spends a lot of its time in discussing trivial matters but when highly technical matters with far-reaching implications are brought before it, only a handful of MPs are seen to be present in the legislature.

The plain fact is that today the executive has grown too big to be amenable to a sensible and sustained system of accountability: it needs to be controlled in respect of its size and staffing.<sup>12</sup> At the same time, new paths in search for better accountability of public administration should be explored. This requires, among others, an innovative culture and a certain commitment to out-of-the way approaches and strategies.

First and foremost, accountability must be imparted contents of a more positive nature. The commonly sighted administrative spectacles, like lackadaisical performance, playing safe, not providing leadership and drive to the organisation and features of this nature must be firmly discouraged. At present, accountability has been greatly devalued and has not been finely tuned. As a result, the public functionaries not taking decisions or given to procrastination and delay pass off undetected and unpunished. In short, accountability must become sensitive to reward and punishment, and must not remain one-sided which perhaps is the case at present.

To put in full application the foregoing proposition, it is vital to formulate and put into application an integrated view of accountability. The parliament must remain fully aware of its role and responsibilities, and oblige the political executive to render an account of its stewardness of the nation's public affairs. The council of ministers must set a programmatic vision before itself and set out to implement it by making appropriate policies ably supported by programmes and schemes and the necessary infrastructure. The individual ministers must on their part provide the necessary policy inputs in their respective areas of operation, ginger up the machinery of administration, and instil a sense of efficiency, purpose and economy in the department and the agencies under them. The minister must periodically review the policies and the programmes and take corrective action to ensure timely fulfilment of the targets. He must lead the bureaucracy, for the latter, when left to itself, remains self-programmed and besides, suffers

from a chronic incapacity to get out of the rut. The senior level bureaucracy must translate the policies into actionable programmes and schemes and must practise the concept of accountable management. The various levels in the hierarchy must be endowed with adequate powers and responsibilities. This needs to be underlined, for in many developing countries, it is characteristic of the lower-level personnel to have responsibility with power concentrated into the hands of top echelons. The classical tools of effective internal management, like inspection, visit, control and supervision, which have either fallen into disuse or are perfunctorily undertaken, must be activated, and the tone and standard in this respect -- as in many others -- must be set by the top civil servants themselves.

Certain pre-requisites must be met in order to make accountability a genuine, on-going proposition. Decentralisation, delegation, devolution and deconcentration are vital to accountability. As already emphasised, accountability is performance-based and result-oriented, but in a responsible system of government public functionaries are not permitted to make a short shrift of the prescribed procedures. This necessitates a drastic simplification of rules and procedures so that administrators do not have to waste time in attending to unnecessary procedures. No less urgent is the need for appropriate changes in personnel administration, especially training, placement, performance appraisal, promotion, etc. Administrative reform, including reform of the country's civil service, is among the pre-requisites to a system of effective accountability. Public administration is apt to become more accountable if it shows a greater degree of disposition to welcome more of management in it. A reporting system providing information on the progress made towards the fulfilment of organisational objectives must be put into operation, and follow-up action must be quick. No less necessary for promotion of a sense of accountability is increasing openness in administration. To secure this, the Official Secrets Act must be so revised as to grant to the citizens a right of access to official information in many areas of public administration. This requires an appreciation of the fact that the secrecy legislation at present tends only to keep the officials protected and thus unaccountable, and not the official information.

Most importantly, one should take cognizance of the most serious menace to accountability. Both, the functionary called to account for his performance and the one who takes the account, being human beings, it is vital that they be motivated by purely organisational objectives in their interactions. This is critically important, for accountability runs a grave risk of becoming personalised, thus promoting privatisation game at both ends. Nor should the network

of accountability get tainted or polluted, an aspect needing special care and attention. In many developing countries, the formal hierarchies in many organisations, especially those involving public dealings or other kinds of patronage, have been virtually converted into integrated circuits of corruption, thereby making a nonsense of accountability. This must be avoided at all cost.

#### TOWARDS A FRAMEWORK OF ACCOUNTABILITY

Paradoxical though it may seem, historically the government kept man under an unwaiving obligation to owe accountability to itself with no reciprocal self-discipline. Such a unilateral spirit abounds in public administration. The administrative system, to give an example, binds the citizens to a series of deadlines but itself enjoys complete immunity. The existing rules prescribe that citizens must submit to the income-tax bureaucracy their income-tax returns regularly by a particular date, but it takes its own time to dispose of the cases, thus keeping the tax-payers under an obligation from which it keeps itself fully released. The executive, a time has come, must reciprocate and become time-bound in its own turn. Thus, if a certain matter relating to an individual citizen does not get decided within a reasonably fixed period, the decision should go in favour of the effected citizen, an arrangement which would induce the administration to be more accountable.

Equally important it is to abandon the present system under which the laws (including rules, regulations, etc.) are enacted apparently for eternity with no fixed expiry date mentioned. It is largely under legislation that public administration formulates its functions and even when the need for such laws is no longer felt, functions continue to be carried out. The legislature must accord its acceptance to the concept of sun-set legislation. To extend the logic further, the executive must before long adopt the concept of zero-base budgeting, which is bound to introduce sanity and rationality in the whole range of administrative activities. The single greatest advantage of this concept is that every public organisation is regularly subjected to a severe review, the initial assumption being that it should be wound up unless it adduces convincing reasons why it should continue.

Last but not the least in importance is the need for social audit of many of the public organisations, particularly, public undertakings. Social audit is a new concept originating in the last decade, but sooner or later the social balance sheet is likely to become a mandatory part of the normal commercial balance sheet which many public organisations are under a legal obligation to

produce.<sup>13</sup>

Finally, the law of torts is not very well developed in India, which, too, induces indifference in the public functionaries towards their duties. At present, there are definite statutory provisions which shield public functionaries from legal action even when they are amiss in their performance thereby causing avoidable wrong or inconvenience to the citizens. The Criminal Procedure Code, 1973, for instance, makes a sanction of the appropriate government, central or state, necessary before a public servant in its employment is prosecuted in respect of any "offence alleged to have been committed by him while acting or purporting to act in the discharge of his official duty."<sup>14</sup> India has not yet signed the clause relating to payment of compensation to an aggrieved citizen by the state in the International Convent on Political and Civil Rights, but some recent judicial decisions appear to subject the public functionaries to a measure of discipline and thus make them accountable for their actions or inactions to the citizens directly affected. This is the most welcome sign. Early in 1983, the Supreme Court of India set a precedent by ordering the Bihar Government to pay Rs. 30,000 as compensation to an individual, who had remained confined in jail for as many as 14 years after his acquittal by the court simply because the government did not send the necessary release order.<sup>15</sup> Since the state's actions, or inactions impinge so widely and deeply on individual citizens' lives and happiness, the public servants must be made suable for damages. Simultaneously, justice should be made cheap, quick and less bothersome.<sup>16</sup> This is apt to make them aware of their duties and thus make them accountable.

### CONCLUSION

It is necessary in the end to warn that the concepts discussed in the foregoing would yield fruits only when applied with commitment and conviction. A ritualistic application may leave us exactly where we are, and thus may make little difference in respect of accountability. The concept of programme budgeting, one needs to be reminded, was introduced in the Indian administration in the seventies, but the approach was rather mechanical resulting in a low level of gains. This must not be repeated. Besides, periodic reviews and evaluations must be regarded as but an integral part of the proposed framework, and the results of such exercises must be fed back into the system, the overall goal being the raising of productivity through better accountability.

The various tools and mechanisms of accountability discussed in



the present article must never lose a sense of proportion when put in action. Administration, primarily is action, is doing something; and nothing ought to be done to sap the initiative and drive of those carrying programmatic responsibilities. It would be fatal for administration if the public functionaries indulge in procrastination, betray in action, or move in circles simply because accountability has overawed and benumbed them.

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3. Yet, the President of India enjoys one effective power -- that of inviting of the leader of the party commanding a majority in the Lok Sabha to form the ministry. When no party has a clear majority, the President has to use his discretion, which confers on him a real power. One should not, however, assume that the President is infallible; if that were so, the impeachment procedure would not have been laid down in the Constitution.
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10. G.A. Campbell, THE CIVIL SERVICE IN BRITAIN, London, Gerald Duckworth, 1965, p. 221.
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12. The political climate in many developing countries, however, is liable to make such a view extremely unpopular, for public administration there is being increasingly viewed as some kind of a social security agency to provide employment to the jobless. This is notwithstanding the inconvenient fact that most public organisations are already over-sized and over-staffed.
13. See for instance the following works: Melvin Anshen, MANAGING THE SOCIALLY RESPONSIBLE CORPORATION, New York, Macmillan, 1974; and Clark C. Abt, THE SOCIAL AUDIT FOR MANAGEMENT, New York, American Management Association, 1977.
14. Section 197, Criminal Procedure Code, 1973.
15. The judgement was delivered by the division bench of the Supreme Court comprising the Chief Justice Mr. Y.V. Chandrachud, Mr. Justice A.N. Sen and Mr. Justice Ranganath Mishra, THE TIMES OF

INDIA, August 2, 1983.

16. How justice can be expedited can be illustrated by the American practice. In the USA, a civil suit may not take more than six months for its disposal. The Speedy Trial Act requires a criminal case to be tried within a total of 100 days. Also there is a law which says that the charge must be brought before the court within 30 days, failing which the case is dismissed.

# Administrative Accountability : A Conceptual Analysis

Asok Mukhopadhyay

THERE SEEMS to be a paradox in the development of the democratic welfare state. As the state grows more and more powerful in order to serve the people, more and more the people feel to have been pushed into the background by the growing powers of the social service state. As public administration machinery expands and becomes more complex, the need for holding it properly accountable is more acutely felt. In recent times, there has been substantial agreement among scholars of public administration that the principal problem of governmental administration today is not one of securing efficiency but one of insuring accountability; some scholars view it as the classic problem of public administration<sup>1</sup>.

Various expressions like 'control', 'responsibility', and 'accountability' are used to pinpoint the need for insuring subservience of the public officials who, in a democratic political system, must not be allowed to have their own way. Never was administrative accountability so momentous a necessity as in this era. A variety of means are tried in different countries to insure accountability of administrators in government and other public agencies. A conceptual analysis is called for in order to understand the nature and extent of administrative accountability.

## EXPANDING CONCEPT

In a democratic government, the assumption is that the civil servants work in the government for the people. Therefore, the problem of locating accountability becomes acute because of the nature of the job performed and power exercised by the public officials. Today, public administrators are longer confined to the job of implementing the policies and executing the laws framed by the legislature. They consciously make laws and even adjudicate laws. More often than not laws are made now-a-days by legislatures in terms of the broad objectives to be pursued or the machinery to be set up, and the task of providing the details of making rules, regulations and bye-laws for filling up the gaps left in the

legislation, is given to the administrators in order to facilitate the process of executing the laws. The administrators are also asked sometimes to interpret certain matters and adjudicate. Thus, the nineteenth-century problem of keeping watch over the execution of laws has today grown into the more complex task of exercising control over policy formulation and policy adjudication. The meaning of the concept of administrative accountability has, therefore, been expanded and consequently its dimensions have increased.

The basic issue of administrative accountability relates to that part of public administration which has something concrete to contribute towards not only policy execution but also policy formulation and policy adjudication. Perhaps the most critical and most often overlooked dimension of public administration is the extent to which actions taken by government administrators and public sector agencies are responsible to the democratic system. Administrative accountability has, therefore, to be understood in relation to making of public policies and their implementation. It means accountability of those administrators who, in some ways or other, contribute to the decision-making process. And this accountability is to the political system as a whole. In a democracy, accountability is insisted on, because accountability is believed to be contributing to efficiency. Public officials have been found to be guilty of non-feasance, malfeasance, and overfeasance. By 'non-feasance' is meant that they have not done what law or custom requires them to do owing to laziness, ignorance, or want of care for their charges, or corrupt influence; 'malfeasance' means that a duty is carried out with waste and damage because of ignorance, negligence, and technical incompetence; and 'overfeasance' occurs when a duty is undertaken beyond what law and custom oblige or empower -- it may occur out of dictatorial temper, vanity and ambition of an official or his genuine, sincere, public-spirited zeal. The public official must be held accountable for any of these three activities.

Until recently, the basic measurement of administrative accountability has been efficiency meaning the greatest output from the least input. This meaning is no longer valid. Today, efficiency must relate to the satisfactory accomplishment of given programme goals as attested to by the persons affected by the said programmes. It is because of this expanded meaning that the concept of administrative accountability has acquired multiple dimensions.

#### Political Accountability

The administration in a democratic state is accountable to the political executive in the first instance. If accountability of any

individual administrator is to be insured, the practice is to criticise the political executive to whom he is attached. The minister in Britain or chief executive in the USA is the departmental chief and no policy decision can be taken without the concurrence of the political executive. Formally speaking, the bureaucracy's main functional role is to act as advisers to the political executive on matters connected with policy execution and policy formulation. By virtue of their enormous expertise they gain through long period in office and specialised training the bureaucrats know better about the subject-matter they deal with than the political executive does. As the political executive is a temporary tenant in the secretariat and seldom gets any opportunity to gather expertise, the bureaucrat's hold over administrative details relevant for policy decisions is significant. The common experience suggests that the political executive usually decides the way he is advised to do by his civil servants. Unless committed by political ideology or compelled by some other party political considerations, the political executive has no reason to overrule the decision of his officials. Politically the administrator remains anonymous, but he uses the greatest influence on policy-making in normal circumstances. So far as political authority for policy-making is concerned, it is the monopoly of the political executive. But so far as practice is concerned, this political authority is virtually exercised, in most cases, by the bureaucracy. It is as much true in parliamentary democracies, like the British and the Indian, as in political systems like that of the United States. The political executive is accountable to the legislature but the administrator is politically accountable to the political executive. One has to look to the legislature in order to know the other dimension of administrative accountability.

#### Legislative Accountability

The dimension of administrative accountability becomes larger if we take into account the parliamentary institution of interpellation. It is the ancient right of the members of parliament to ask questions about the state of public administration. When the minister is asked to answer a question put by any MP, the questions are really directed to the department concerned. Every top administrator knows that whatever policy-decision his department takes is likely to be questioned in parliament if the matter happens to be serious enough to draw the attention of any member of parliament. The principal function of questions in parliament is not to inform ministers of public reaction to policy but to discipline administration. Administrative responsibility, therefore, indirectly means

accountability to parliament.

Today, almost every legislature has developed the practice of functioning through its various committees. Apart from the standing committees, like public accounts committee and estimates committee, there are a host of other committees like committee on subordinate legislation, committee on government assurances and so forth, where the government officials have to meet the queries made by the legislators. Then there are, as in India, the consultative committees attached to the ministries, in these committees, the departmental officials are to meet the information needs of the members and discuss policy options offered by the members. Besides these, there is the system of parliamentary committees of investigation. When any such committee functions, it is empowered to ask for files and other relevant documents and call for evidence by the government officials. Since independence, there have been quite a few such committees in India. Congressional committees are very effective in the United States for effectuating legislature's supervision over the administration. Administrative accountability becomes very much meaningful in the proceedings of these committees as public administrators are put hard to defend their policies and actions on grounds of laws, rules and their own perception of public interest.

Through its powers over the public purse, legislature seeks to insure administrative accountability. The financial control exercised through the budget is a potent instrument to legislators. When legislature is bent on vetoing some administrative policies and/or decisions, this can be done by denying the necessary budgetary support. The sharpness of this instrument is, however, more theoretical and potential than practical and real. With the alleged 'decline of parliament' and the political executive's right to ask for dissolution, this control has been reduced to a formality in parliamentary democracies.

Post-audit of the government accounts is another means of insuring administrative accountability. In India, the comptroller and auditor-general reports to parliament about his findings; similar is the practice followed in Britain, Germany, Italy and other countries. In the United States, the general accounting office is a creature of the Congress and is responsible for reporting to the Congress on the improper spending of public money by the administration. France is an exception in this respect, where the 'Cours des Comptes' reports to the National Assembly but primarily serves the President.<sup>2</sup> The system of post-audit seeks to ensure that funds sanctioned by legislature are spent by the executive for the purpose for which they are appropriated. That is to say, actual spending is compared with authorised expenditure in order to find

out the extent of administrative accountability for public spending. This system of control, however, loses some of its effectiveness when government finance becomes more complex in terms of variety of items purchased and complexity of financial arrangement. Today, the social service state is so much involved in the economic activity of the nation that almost every nation has found it advisable to allow sufficient latitude to the government in planning public spending, shifting the heads, and even aggregates, of government expenditure.

### Judicial Accountability

In a democratic political system, citizens are provided with the necessary legal means to challenge the policy decisions as well as administrative decisions of the government. In the United States, Britain, India and other former British colonies, the machinery of public administration includes organisations for adjudicating on disputes between citizens and the administration in matters like taxation and compensation. If dispute still persists, citizens can approach regular courts of law challenging the decisions of the government. In other countries, like France, Germany and Sweden, there is the system of administrative courts to handle disputes concerning public administration and bureaucracy. Based on the French model, these courts are staffed by judges who themselves were former administrators or, at least, trained as administrators in the *Ecole Nationale de Administration*. The idea behind this model is to associate the knowledge of administration with the judicial scrutiny.<sup>3</sup> In India, the Supreme Court and the high courts can issue a variety of writs challenging the decisions of the government. The public administrators, therefore, have to advise on policy formulation and policy implementation keeping in view the probable reaction of the court, if and when their policies and/or actions are challenged in a court of law. To the extent that administration has to give a proper explanation and produce sufficient justification for its policies and actions before a court of law, the judicial dimension of administrative accountability becomes clear.

In the second place, a quasi-judicial institution, like the ombudsman, has been rendering useful service for insuring administrative accountability in a large number of democracies.<sup>4</sup> Originating from the Swedish model, set up in the nineteenth century, the ombudsman is basically an agent of parliament for defending the public interest and public morale against any sort of malfeasance, non-feasance and overfeasance of the executive. In Sweden, this institution has practically become a part of the national political culture and has been successfully defending the

public interest by enforcing administrative accountability for policies and actions of the public officials. In Britain, the Parliamentary Commissioner of Administration, compared to his Swedish counterpart, enjoys limited powers<sup>5</sup> but has already proved to be an useful instrument for insuring administrative accountability. In India, on the other hand, the case for Lokpal, an ombudsman like institution at the national level, has been much advocated but not pursued seriously up till now. The experiences of the state level lokayukta have so far been most disappointing. This fact provides further evidence that administrative accountability could be insured only when the political system is sufficiently democratised.

#### Informal Accountability

An informal way of enforcing administrative accountability is always open to the elected representatives of the people. Members of legislature, for the purpose of their 'constituency service', often approach public administrators with complaints and requests on behalf of their clients. To act as an ambassador of grievances is one of the essential jobs of an elected representative. But this method of enforcing administrative accountability is inefficient in that such intervention is usually made on behalf of particular cases and, after a while, such intervention loses its effect. This is bound to be so, because no general issue is involved in constituency service, nor any general solution of the problem could be found by such a means. Informal contacts, requests or personal pleading for particular causes or clients are, therefore, no efficient means of insuring administrative accountability.

Publicity of administrative policies and actions is yet another informal way of achieving administrative accountability in a democracy. Administrators basically feel an obligation to meet the queries of the press and other public media for two reasons: first, refusal to meet would be interpreted as arrogance and may give rise to avoidable suspicion; secondly, if the press and other public media can be adequately fed with appropriate information, the task of implementation of administrative policies and decisions becomes easier as the public obtains the necessary perspective of the administration's point of view. Sometimes, a reliable and workable rapport with the press and the public media helps the administrator to wage his battles against undesirable and vested interests or corruption. Hence, the public administrator in a democratic system must remain accountable to the press and other public media.

Thirdly, informal accountability of the administrator can also be noticed in his relations with interest groups, lobbies and pressure groups, whose existence is a characteristic feature of the pluralist



structure of a democratic society. A great responsibility for monitoring the regulatory process in a democratic political system devolves on these competing interest groups. By identifying issues, making them generally understandable, and increasing public scrutiny of administrative policies and actions, these groups hope to bring a great impact on public administration for the public good. Publicity is a major tool for the advocates of the 'public interest' which is, after all, a complex and elusive notion. As Harmon has shown, four sets of conflicting values regarding the public interest can be compared by viewing the 'public interest' as: (i) unitary or individualistic, (ii) prescriptive or descriptive, (iii) substantive or procedural, and (iv) static or dynamic. From this comparison he has defined the public interest as "continually changing outcome of political activity among individuals and groups within a democratic political system".<sup>6</sup> That is to say, the public interest is seen through the operation or process of public administration rather than its substance. And in shaping the operation of administration, both the public media and the interest groups play important roles. No administrator can afford to forget his accountability to these agencies.

These informal groups very often enter into correspondence and consultation with public officials and demand changes in public policies and administrative decisions. In dealing with these groups, the administrator plays the role of a negotiator willing to listen to their arguments and viewpoints and trying to discover if and how far these can be accommodated in public policy. For proper performance of this job, the administrator is expected to possess knowledge about the affected interests and some amount of diplomatic skill. In a democratic political system, the government and public sector agencies can hardly afford either to neglect these groups or to become arrogant in dealing with them because the very existence and functioning of these groups set a limit to the making of public policies.

#### Normative Accountability

As Carl Friedrich argues, there is need of some elasticity in the power of the administrator, some discretion to be used by him, and some inner check upon his own behaviour. Hence, he has stressed the normative or moral aspect of administrative accountability by arguing that internal 'informal' controls, like the professional standard, codes of ethics, and social values possessed by individuals are very much necessary. Once these normative controls are strengthened, administrative accountability would increase.<sup>7</sup> These norms, as and when developed and internalised by the administrator,

become an efficient form of control in that these can serve as 'preventive' rather than 'correcting' measure against administrative malfeasance. The best such norm that one can think of is the administrator's commitment to public service. With the help of two broad dimensions of the administrator's 'responsiveness' to the democratic process and his 'advocacy' or active support for the adoption of policies, Harmon has identified five degrees of commitment to public service and correspondingly five styles of administration in matters of policy formulation in public organisations.<sup>8</sup> He has termed these styles as survival (low responsiveness combined with low advocacy), rationalist (high responsiveness combined with low advocacy), reactive (compromising responsiveness with advocacy), prescriptive (high advocacy combined with low responsiveness), and proactive (high responsiveness combined with high advocacy). Of these, the 'rationalist' style produces no policy initiative and the 'proactive' style asks more of the right questions. In a dynamic situation, say, for example, development administration, the proactive type may be preferable.

The norms of administrative behaviour constitute the values affecting the accountability of public officials. Ilchman has rightly emphasised the need for role congruence between the expectations of the people and the behaviour of administrators.<sup>9</sup> The value system of the civil service is essentially built up in response to what may be called the public image of public administration. Sheer public expectations about public administration sometimes compel individual administrators to behave in a particular way. The values like equity and propriety are highly prized in western liberal democracies but these are not so prized in the developing societies. In the rigidly structured societies, which are sustained by family or clan membership, the public official would be viewed by the people as a misfit if he tries to uphold the values of equity and propriety in opposition to kinship affiliation.

On the other hand, the environment of political culture also helps the public administrator to develop his perception of his own role. If the administrator is obsessed with responsiveness to the democratic process and prefers not to do anything which he is not legally expected to do, vigorous administrative leadership can hardly be expected from this style of administration in the tasks of managing the economy, running public enterprises, administering development projects and so forth.

The concept of administrative accountability is, therefore, culturally oriented, and it varies with varying nature and degrees of public expectation about the administrative system. But certain administrative values can, however, be generated within the

administrative system at any point of time. If the administrative class can be moulded and trained in such a way as would help generate a strong esprit de corps, a sense of commitment to public service can be generated so that administrators consider themselves normatively accountable for their decisions and actions. It is, of course, difficult to generate such normative and ethical values among the lowest cadre employees in public service, who hardly feel any difference between themselves and their counterparts in private organisations. The British administration in India somewhat succeeded in generating a strong esprit de corps among the ICS officers; the picture is not the same in the successor service of IAS. Deprived of the enormous powers, discretion and privileges enjoyed by the ICS officers, the IAS officers appear to be lacking in a high professional commitment. Whatever standard of professional ethics was inherited by the Indian administrative class has been eroded over the years. The low mark was reached during the Emergency period (1975-77). The norm of professional ethics of the Indian administrative class has not developed to such extent that erring administrators can be pulled up by their professional organisations. Hardly any value-sense is seen to be propping the administrators in India where success in careerism is generally uncritically appreciated. Certainly, this is not the picture in western liberal democracies. But here also one can notice some difference between the high status and prestige enjoyed by the administrative classes in Britain, France and Germany, on the one hand, and not-so-high prestige enjoyed by the administrative classes in the United States and Australia, on the other. The difference is explained by their different histories and cultures. In those civil service systems, where professional norms and ethical standards are well-developed, the legal-institutional control mechanisms are needed for dealing with deviant cases only. Normative control, thus, appears to be a tolerably reliable means of effectuating administrative accountability.

#### Representative Bureaucracy

Another approach to administrative accountability would be to make administrative processes and policies more reflective of citizens' desires by making the bureaucracy 'representative' of the significant groups in society. The thesis of representative bureaucracy, first developed by Kingsley, grew out of a recognition of the inadequacy of the traditional legal-institutional controls for insuring administrative accountability in a modern social service state.<sup>10</sup> The argument runs like this: public administrators are not simply neutral tools to carry out policies laid down by the

legislature, but they are in fact deeply involved in formulating policies, concerned as much with ultimate results as with efficiency. Moreover, legal-institutional controls, if carried too far, make the administrators rigid and the administrative machinery becomes ineffective. Hence, the accountability of an administrator depends ultimately on the values, attitudes, beliefs, and interests which underlie his behaviour. These behavioural factors are shaped by the socio-economic and other groups of which he is a member. Administrative accountability can, therefore, be insured only if the bureaucracy could be made representative of all important groups in society through appropriate methods of recruitment. However, the pertinent question is: which groups in the larger society are to be represented? Obviously only those groups which are politically significant. But it is easier in a structural society than in a pluralist society to identify the politically significant groups. Furthermore, it has not yet been proved through research that administrative behaviour is influenced by group membership of the parents. What representativeness of bureaucracy seeks to achieve through the opportunity system can be obtained by suitable reform of the academic training of candidates for the public service so that public administrators may develop their understanding of the social, political and economic forces and problems of the society with which the policies they formulate and implement must deal.

#### PUBLIC PARTICIPATION

Direct involvement of the people in the administrative process constitutes one of the major efforts in recent times to enforce administrative accountability. In the 1950s and 1960s, public participation was defined broadly in purely political terms meaning voting, party membership, activity in voluntary associations, protest movements and so forth. By the 1970s, its meaning began to be redefined. Rather than being identified with political and electoral processes, it came to be associated with the administrative process.

Participation should be considered in its relationship to power. In administrative process, participation is vulnerable to be used as 'cooptation' with a view to reinforcing the influence of the management. Implementation of policies, like policy-formulation, is also a political process. Experience of development administration shows that administrators need public participation to gain allies for their goals.<sup>11</sup> Ralf Dahrendorf, the conflict theorist, argues that cooptation or association of ordinary people without any influence with some policy advisory board would mean that such people would be

engulfed by the total perspective of management. Public participation would have no meaning or impact without the public having their own independent base of authority.<sup>12</sup> Public participation actually consists in: (i) consultation throughout the planning process, (ii) public representation on decision-making boards, and (iii) community control over funds and expenditure. All other forms of cooptation fall short of the essence of public participation in that they allow elites or bureaucrats to dominate the administrative process.<sup>13</sup> In other words, if administration is to be held squarely responsible for any development programme, then it is traditionally insisted that the locally elected body must have power to give final shape to development plans, and public hearings have to be arranged for discovering where the public interest has been injured. But it is now felt that even these measures fail to enhance the ability of the citizens to understand fully the complexity of the issues. Public participation would fail to insure administrative accountability unless such participation educates the citizens and be informed about the broader socio-economic characteristics of the community itself.<sup>14</sup> The value of participation varies depending on who is participating at what stage of the administrative process and what kind of activity they are doing. The important issue is what kinds of participation are appropriate to a given task and given environment.

Administrators feel primarily accountable to their agencies or superiors, whereas the public's problem is to hold administrators accountable and find some ways to influence them. Administrators and people, therefore, have different perspectives on the participatory process. One way to incorporate both is to view participation as a learning process and mutual interaction. Administrators need to temper their professional judgement with an awareness of citizen preferences. The moot point underlying public participation is to expand the democratic basis of administrative action. This is an administrative approach to ascertain public preferences directly and over the heads of politicians whose right to interpret the public demand is not accepted in modern democratic theory as an exclusive one.

### LIMITATIONS

To what extent and in what ways administrative accountability would be achieved is a matter of legal-institutional arrangements as well as political culture. In real life situation, there are, however, some limitations to administrative accountability.

First of all, where technical specialists work within government

organisation, administrative accountability is limited by the internalised value structure of the specialists. The influence of professional organisations on administrators is not negligible. These organisations teach devotion to the highest standard of a profession or craft. For example, doctors working in government hospitals owe primary allegiance to the norms of the medical profession and may justifiably protest against laws and rules which conflict with his professional and ethical relationship with patients. However, effectiveness of the professional norms is certainly not uniform in every case. A nuclear scientist working for a government department can hardly afford to act in accordance with his professional norm as a scientist, which would want him to share freely the results of scientific research with other fellow scientists. His administrative accountability must take note of the broader public interests.

Secondly, when government enters into business or manufacturing enterprises and undertakes commercial activities, new problems of administrative accountability of the managers arise.<sup>15</sup> As and when public enterprises face competition with the private sector, administrative accountability needs to be specially defined as the pattern and practices of management have to be different from those of a typical government department.

Thirdly, trade union activities sometimes set a limit to accountability to the departmental rules and regulations or even budgetary norms. Emergency legislations and democratic values being strange companions, trade union activities sometimes compel managers of public authorities to sacrifice any purist notion of administrative accountability and go in for a settlement acceptable to the unions.

Fourthly, administrative accountability is also conditioned by the country's political structure. In a federal set-up, administrative accountability for policy implementation is sometimes divided among the national and state governments or the state and local governments. The problem is further complicated and administrative accountability is diluted in those cases, as in India, where the administrators belonging to the national level service are posted in almost all key positions in state government, urban and rural government and nationalised industries and public enterprises. While they serve these authorities, they are supervised by the respective governments and/or management boards only to a limited extent, and they cannot be held fully accountable because of certain constitutional and administrative protections they enjoy as members of the All-India service, and also because of the fact that their ultimate controller is the union government.

Fifthly, as noted earlier, the cultural atmosphere of the

political system defines, to a large extent, the nature and meaning of administrative accountability in the particular context. The societal commitment to public morality and administrative propriety varies from society to society. In one case, violating rules or accepting bribes may be regarded as cognisable crime; in another case, the same action is viewed as an acceptable modality for getting anything done by public officials. It is the cultural tradition and the mutual expectations between public officials and the general public, which are responsible for defining the limits to administrative accountability.

Finally, administrative accountability is obviously limited in situations described as 'non-administration'.<sup>16</sup> It is really very hard to insure administrative accountability where there is hardly any administration worth the term. In those administrative systems where decisions are taken by bypassing the formal administrative institutions and procedures, it is almost next to impossible to expect proper administrative accountability. There are administrative systems in the world where positive inducements to work are lacking and negative inducements for not doing anything are many. In these circumstances, it is difficult to achieve administrative accountability. As Peters has observed, "it is much more difficult to control something that does not happen than something that is done improperly."<sup>17</sup> Administratively, it is easier to punish excesses than to get any work done by a shirker.

## CONCLUSION

As bureaucracy grows in power, more crucial becomes the question of administrative accountability. As more and more public utilities are hived-off and sought to be depoliticised, greater is the chance of bureaucracy gaining in power. In the context of the 'New Despotism',<sup>18</sup> implying an enormous increase in the powers of the bureaucracy in the modern social service state, political accountability of public administration is fundamental to democratic government. This is the cardinal characteristic of democracy as a form of government. Finer has correctly commented that "though there may be other devices which provide 'good' government, I cannot yield on the cardinal issue of democratic government".<sup>19</sup> The legal-institutional controls must be made more effective in order to realise this cardinal principle. As constitutional-political institutions become sophisticated, the task of insuring administrative accountability is facilitated. Normative or moral accountability of the bureaucracy is, in a sense, subsidiary to legal institutional control measures. It is better enforced by the spread of political education which

generates an awareness of the components of the public interest. Recent events in almost all western democracies tend to raise the level of awareness of the attentive public to press for more effective, efficient, and accountable administrative practices. As Joseph A. Uveges Jr. points out, "the real challenge for the future continues to be whether or not administrators and administration can successfully synthesise the increasing demands for technical and legal proficiency and representation within the context of an open and legitimate process and, at the same time, pursue goals which serve the interests of the public-at-large."<sup>20</sup>

Administrative accountability is, in the final analysis, a concept pertaining more to political culture than administrative law. Accountability always implies two things: first, existence of someone to whom account has to be given, and, second, performance of actions which have to be accounted for. Administrative accountability, therefore, acquires meaning only in the context of democratic political system. But as there are varieties of regulative ideals of democracy, such as classical representative democracy, pluralist democracy, and populist democracy, administrators need to know the system in which he has to play his role. Broadly speaking, the nature of the political structure, the nature of societal organisation, and the nature of political culture and popular expectation about public administration basically determine the nature of administrative accountability to be found in a political system at a particular point of time. Then concept of administrative accountability simply cannot exist in a totally autocratic or regimented political system; nor is there any effective means of ensuring administrative accountability for an apathetic, cynical population.

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# Accountability in Relation to Directive Principles

S. N. Jain

## THE CLASSICAL ACCOUNTABILITY AND ITS FAILURE

IT IS, perhaps, for the first time that some thought is being given to the accountability of the administration for its failure in non-implementing the directive principles. In none of the innumerable writings on directive principles in the past, this issue has been touched upon.<sup>1</sup> The constitution-makers simply put these principles in the constitution, in the hope that the government elected by the people could be trusted to implement them and believing in the classical theory of political accountability of the executive to the legislature, and to the people at the time of elections. However, it is now universally accepted that the trust placed in the governmental process was not justified as the government has miserably failed in this matter. Some directive principles have not been implemented at all (e.g., the uniform civil code), some have been deliberately flouted (e.g., the prohibition) and others have been implemented, if at all, in an half-hearted manner, creating hardly any impact on the community welfare, and the people continue to suffer from the same inequities and injustices and social evils as before as if the directive principles did not exist. It is, therefore, apt that at this stage, when the constitution has been in operation for over three decades, the question of accountability of the directive principles be seriously raised and discussed.

It hardly needs to be said that parts III and IV contain the basic philosophy of the constitution. The former, guaranteeing certain fundamental rights to individuals, ensures the dignity and freedom of the individual and his protection against arbitrary state action. The latter, containing the directives to the states, provides for the social and economic welfare of the individual. It may be regarded as a charter of economic and social justice of the people, enjoining the state to create conditions for the same. The direct accountability of the state with regard to the fundamental rights was ensured by the constitution by making them justiciable and enforceable basically through articles 32 and 226 by the supreme

court and the high courts. However, as regards the directive principles, in a platitudinous tone, article 37 states, they are "fundamental in the governance of the country and it shall be the duty of the state to apply these principles in making laws". The article expressly makes them unenforceable by any court. The state is not accountable to the individual in a court of law for not implementing a directive principle. In the absence of accountability to the judiciary, the two other traditional methods of accountability are those of control by the legislature and of people through the electoral process as stated earlier. But these traditional models of accountability are no good in the modern context.

For instance, in an executive-dominated legislature, the legislature has come to occupy a subservient position. When the legislature instead of controlling the executive is controlled by it, there is no question of the executive being answerable to the legislature for its deeds (or misdeeds). During the last 30 years or so, after the first elected parliament in independent India in 1952, the picture that has emerged is that of the executive having a mastery over the parliament. If the executive has on occasions shown any deference to that 'august' body it is out of its own sweet will or convenience rather than design. Without any parliamentary hindrance, it has carried on its policies and programmes (including the legislative ones). Even about the British parliament, the mother of parliaments, it has been remarked by an English author that the British parliament "governs in no more than a formal sense".<sup>2</sup> He says that the House of Commons has sunk from the position of a despotic sovereign with unlimited powers to a mere constitutional figurehead. Sir Leslie Scarman (later Lord Scarman) wrote in the same vein when he commented: "Today, however, it is parliament's sovereign power, more often than not exercised at the will of the executive sustained by an impregnable majority...."<sup>3</sup>

The sanction on the executive for implementing the directive principles was thought to be the people. In the Constituent Assembly, Ambedkar had said that a party which failed to implement these principles would stand to lose in the next elections.<sup>4</sup> However, accountability through political process (elections) has also not much meaning. It is doubtful whether the accountability of the executive is ensured through elections.<sup>5</sup> Elections are not a direct confrontation between the people and the government on the issue of economic and social justice. This may be one of the issues (if at all) amongst the host of others that are relevant for the electoral process. The issue of economic and social justice certainly gets side-tracked in the present climate when caste, religion, corruption, and violence are becoming the norms of our

elections and the way of life for voting at the elections.

#### THE GOVERNMENT'S ALIBI AND WEAKENING OF FUNDAMENTAL RIGHTS

Quite often, the government's alibi for non-implementing the directive principles is the judiciary. The executive has been critical of the judiciary acting as a stumbling block in implementing its socio-economic programme, and to that extent diluting its accountability to the people in that respect. The criticism is completely unwarranted in areas other than purely economic matters, and has hardly any substance in economic matters. Soon after independence, the government had to enact massive legislation to reconstruct the agrarian economy. Its constitutional validity was ensured by the government by enacting the first amendment of the constitution in 1951 and the seventeenth amendment in 1964. In the area of economic regulation of industry and trade, some of the important central statutes are the Imports and Exports (Control) Act, 1947, the Essential Commodities Act, 1955, the Companies Act, 1956, the Industrial (Development and Regulation) Act, 1951, the Foreign Exchange Regulation Act, 1973 and the Monopolies and Restrictive Trade Practices Act, 1969. None of them has been found to be unconstitutional by the courts. There is no difficulty in the state nationalising any industry (except the problem of compensation which had been there) or state monopoly in any commodity or service. The issue of compensation did create some tussle between the courts and the government, the highest point of this conflict reaching in 'bank nationalisation'.<sup>6</sup> But this was as a result of the confused thinking on the part of the government in leaving the constitutional position fluid and ambiguous and partly in the wrong drafting of the nationalisation laws. This controversy has now been set at rest by the property right ceasing to be a constitutional right as a result of repeal of Article 31 by the forty-fourth amendment of the constitution in 1978.

In the helpless situation in which the judiciary was placed in the matter of enforcing the directive principles, it did give effect indirectly to some of these principles, through the process of statutory interpretation and while determining the scope and ambit of fundamental rights. Thus, "where two judicial choices are available, the construction in conformity with the social philosophy"<sup>7</sup> of the directive principles is to be preferred. Further, by applying the doctrine of harmonious construction, the "directive principles came to be regarded as a dependent index of a public purpose".<sup>8</sup> If a law was enacted to implement the socio-economic policy laid down in directive principles, this must be

regarded as one for public purpose. Similarly, the supreme court considered the directive principles to be relevant in considering the reasonableness of a law under the fundamental rights. A law imposing restriction on an activity or regulating it was regarded as reasonable if it fulfilled any of the directive principles.<sup>9</sup>

As it is, the executive enjoys vast powers conferred on it by innumerable statutes in order to enable the state to play its role as a social welfare state. However, it felt the need for more powers by immunising certain laws from being challenged as violative of fundamental rights under the wrong apprehension that the judiciary was out to hamper its socio-economic programme. It attempted to achieve this objective by incorporating a new article 31C in 1971 and further expanding it in 1976.

By the Constitution (Twenty-fifth) Amendment, 1971, article 31C was incorporated which immunised laws enacted in pursuance to article 39 (b) and (c) from attack against articles 14, 19 or 31. Forty-fourth amendment, 1976 saves all laws passed in pursuance to any of the directive principles from unconstitutionality under the three articles. If a law contained a declaration that it was enacted for giving effect to the policy contained in any of the directive principles, it was not to be questioned on the ground that it did not give effect to such policy.

These amendments were a device by the executive to arm itself with powers without any fear of judicial intervention, and without being directly accountable to anyone for the same. The whole idea was to weaken the fundamental rights without, in any way, strengthening the accountability with regard to the directive principles. The directive principles legally remained as mere 'adornments', as they always were, but at the same time the same status was accorded to certain basic human rights contained in articles 14, 19 or 31. The bonafides of the government are to be doubted. As stated earlier, the judiciary has hardly put any hindrance in the matter of implementation of the socio-economic programme of the government, except that because of the availability of fundamental rights to the people, it was possible for it to control any arbitrary state action. The conclusion is inescapable that the hands of the government were not clean in enacting article 31C.

In two decisions, the supreme court diluted somewhat the scope of article 31C. In the famous 'Kesavananda Bharati case',<sup>10</sup> the court declared invalid that clause of article 31C, which prevented the courts even to question whether a law was really enacted in pursuance to the directive principles. Further, in 'Minerva Mills v. Union of India'<sup>11</sup>, the expanded scope of article 31C, namely, giving primacy to all the directive principles over the fundamental

rights was held to be invalid. In other words, Article 31C stands to the extent that it gives primacy only to the directive principles contained in Article 39(b) and (c).

#### NON-ADMINISTRATION OF PLENTIFUL OF LAWS

In order to think or work out new strategies, it is essential to find out where the failure has occurred. It is not the judiciary which has obstructed the government's task. It is not the legislature which has failed in the sense of non-enactment of the necessary laws. The legislature has performed its task well (in fact too well) by passing all the laws initiated by the executive. We have a surfeit of laws which a welfare state needs in support of its programmes and policies. Where is then the failure? The failure clearly is that of non-administration, maladministration or misadministration of the laws. This aspect may be touched a bit to emphasise the point. The failure is so 'gigantic that what little is said may not even be treated as illustrative, what to say of being exhaustive.

The three basic tasks of the present-day government, in the context of directive principles, are regulation, providing of goods and social services, and planning. In these three matters, the record of the administration has not been good. Thus, taking a few instances of the regulatory laws, we have so many laws relating to child labour, but we know that child labour exists in plenty. We have a monopoly law but it remains non-implemented except in the limited area or restrictive trade practices to some degree. We have a number of labour laws, which are either not implemented or poorly implemented. Economic exploitation and various social evils continue to prevail in spite of so many laws in these areas.

One of the major tasks of the government is to provide various social services and commodities either for a price or free, like education, health care, social welfare, housing, transportation, essential commodities, or other commodities produced by the state or state enterprises. The poor state of affairs needs no emphasis here also in spite of the infrastructure of the laws. A blatant example of maladministration is that the various public undertakings are supposed to run on sound commercial principles and efficient lines but it is the members of the legislature, who are quite often appointed to head them as a reward for political loyalty. The new term which is being used in the context of such services is 'collective consumption',<sup>12</sup> by which is meant "those consumption processes whose organisation and management cannot be other than collective, given the nature and size of the problems". They are usually

provided by the state apparatus. "The criteria for access to the services depend on factors other than market ones and the planning and management of the services likewise are based on non-market considerations".<sup>13</sup> Consequently, this has created the necessity of "collective grievance-handling agencies".

#### NEW STRATEGIES AND ALTERNATIVES IN THE MATTER OF ACCOUNTABILITY

The classical theory of accountability having failed in the matter of implementation of directive principles, what are the other alternatives and strategies? In India, three significant developments are worthy of notice. One, the courts have to a limited extent taken upon themselves the task of overseeing the implementation of laws by broadening the rules of locus standi. Second, there has been the emergence of legal aid. Third, a number of social action groups have emerged. Let us very briefly allude to these developments.

##### The New Role of Courts

Till very recently, the courts considered a case beyond their purview if no specific injury was caused to the individual or he suffered in common with others. The government was thought to be the sole guardian of public interest and the individual did not count and was regarded as having no role to play in overseeing the administration, except when his own interest was specially affected. Accordingly, the judicial role was meant to provide a redress to the injured individual by an illegal action of the administration rather than to exercise a general control over the administration to check its illegalities or abuse of power. This narrow approach left unredressed many actions and the masses suffered because of the lack of judicial remedy.

But the courts, the third branch of the government (even though the weakest branch), could not remain a silent onlooker to the situation. The Supreme Court had to do something. It decided to liberalise the rules of locus standi and to take up cases of persons who themselves did not suffer any injury but who were complaining of the inequities and injustices suffered by others. The judicial development in this respect is simply a reflection of the deep malady prevailing in the society. It is not necessary here to go into the full story of these developments.<sup>14</sup> We may mention only one case which is directly relevant to the directive principles. In 'Peoples' Union for Democratic Rights v. Union of India',<sup>15</sup> the petitioners (a public interest group), moved at the plight of Asiad labour (labour employed for the construction of works -- stadia,

roads, flyovers -- in connection with the Asian games held in 1982) filed a petition before the Supreme Court for compliance of various labour laws, namely, the Contract Labour (Regulation and Abolition) Act, 1970, Inter State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979, the Minimum Wages Act, 1948, the Equal Remuneration Act, 1976, and the Employment of Children Act, 1938. The court accepted the petition and directed that the provisions of the various laws enacted for the benefit of the workmen be strictly observed and implemented. It appointed three Ombudsmen to make periodical inspections to determine whether the provisions of these laws were being implemented and the workmen receiving the benefits due to them under these statutes.

It is too early to assess the utility and impact of the court's new-found law, but one thing is clear -- it has generated public opinion and consciousness about the government's non-performance or mis-performance. This is the bare minimum achievement, but certainly it is substantially more.

#### Legal Aid and Social Action Groups

For some time, legal aid has become the active concern of the state. The Constitution (Forty-second) Amendment, 1976 introduced article 39A which contains a directive for providing free legal aid by the state. The Government of India appointed a Legal Aid Committee in 1972 under the chairmanship of Justice V.R. Krishna Iyer.<sup>16</sup> This committee was followed by another committee entitled 'National Judicare: Equal Justice-Social Justice' under the chairmanship of Justice P.N. Bhagwati which reported in 1977. This was followed by constituting a five-man committee to implement comprehensive legal aid schemes after taking into account the recommendations of the Bhagwati Committee. The chairman of this committee is also Justice Bhagwati.

Legal aid, till very recently, was thought to be an individual affair, i.e., the task of the legal aid lawyer to be confined to arguing the case of an individual client in a court of law. However, for providing a legal aid programme for the mass of depressed and weaker sections of the society, a different approach was called for, an approach which made access to justice easy and which made law effective for the poor. Speaking about such an approach, Marc Galanter says:

To this service type of legal services delivery -- reactive, paternalistic, limited to the pursuit of individual claims in the courtroom setting by formal legal advocacy - is contrasted what we shall call the strategic type of legal services delivery.



Such a programme is oriented to the longer run as well as to immediate advantage or relief and to matters that effect groups rather than isolated individuals. Such programmes focus on those complaints with a public dimension where a whole class of persons are potential beneficiaries. They are willing to invest in establishing favourable precedents by test-case litigation and interested in aggregating claims too small to pursue thoroughly into larger aggregates which can be economically pursued on behalf of a whole group. In order to assemble such claims, they will undertake pro-active strategies of mobilisation, reaching out into relevant constituency groups, informing potential clients of their services, searching for test cases and aggregating diffused claims into formidable units. Rather than operate exclusively through litigation, the strategic programme pursues the interests of its clients in legislative, administrative, media, educational and political arenas. In addition to the modes of advocacy characteristic of court-room settings the strategic programme engages in research, negotiation in a variety of settings, citizen education, media relations and so forth. The strategic programme's aspiration to comprehensive attention to the larger (and changing) interests of the clients group leads to client participation in decision-making both for its educative value and because the client participation is needed to choose between competing versions of the goals to be pursued.<sup>17</sup>

Rajeev Dhavan speaking about the role of social action groups in this regard says:

The ultimate salvation of depressed groups rests on the assumption that they are able to evolve local, regional and national strategies to fight for their rights. The options that are available to them are quite varied. They can oppose the forces of the state and be ruthlessly dealt with in return. They can use the options provided by the state and still be dealt with quite ruthlessly by a combination of official and non-official and legal and illegal action. Equally, they might find several initiatives undertaken by the state and some of their allies for their benefit. These initiatives can only be turned to their advantage if they can mobilise them to their advantage. Indeed, the success of any schemes created by the state depends almost solely on the extent to which social forces and patterns of social mobilisation can mould these initiatives to the advantage of the depressed classes.<sup>18</sup>

The Implementation Committee is quite conscious of these goals and objectives and is working towards that end. The implementation of such schemes requires active involvement of voluntary social action or public interest groups. A number of such groups are already working in the country, such as Rajpipla Free Legal Aid providing services to the tribals in Gujarat, the Legal Support Scheme for the poor operated by the Anand Niketan Ashram, Rangpur; AWARE, which is a development programme for tribals in nine districts of Andhra Pradesh, and the consumer and Education Research Centre, Ahmedabad.<sup>19</sup>

Apart from single lawyers, like Kapila Hingorani, Indira Jaisingh, Gobinda Mukhoty, and Kapil Sibal, and activist litigants like Upendra Baxi, Lotika Sarkar, Vasudha Dhagamwar, Arun Shourie and Sheela Barse fighting battles for the poor, oppressed and unre-presented, there are groups which are primarily manned by lawyers, such as, Citizens for Democracy, Delhi, the People's Union of Civil Liberties, Delhi; People's Union for Democratic Rights, Delhi; and Lawyers Collective, Bombay.

There are a number of other social action groups and movements which have emerged in the country to bring about social reform and social change in the country. Some of the conspicuous examples are that of the Chipko movement led by Sunder Lal Bhaguna belonging to the Parvatiya Navajiwani Mandal, Gandhi Peace Foundation and the 'Bhoomi Andolan' in Bodh Gaya; Centre for Tribal Conscientisation, Pune; Social Work and Research Centre, Ajmer; Dusholi Gram Swarajya Sangh (Chipko movement); Banwasi Seva Ashram (rural entitlement programme), Mirzapur; and Nehru Yuwak Kendra, Dehradun.<sup>20</sup>

#### State Grievance-Handling Agencies

In order to supplement the courts, the legal aid schemes and voluntary social action groups (including consumer groups), we still need the state grievance-handling agencies. Not much thought has been given to this aspect. The administrative structure so far has been geared up to handle individual grievances and complaints, e.g., whether 'X' was wrongly denied a licence, or a social benefit or restrained from a legitimate activity. The machinery to handle collective grievances involving such types of questions as pricing, efficiency, adequacy and satisfactory supply of services and goods has not been evolved except sporadically. In some of the statutes, some such machinery is to be found, e.g., hearing of affected interests for fixing fares by the State Transport Authority under sec. 43 of the Motor Vehicles Act, 1939, constitution of advisory councils by the state government under sec. 17 of the Road Transport

Corporations Act, 1950, constitution of consultative councils comprising consumers' representatives under the Electricity Supply Act, 1948. Recently a consumer protection council has been constituted. It is headed by the minister of food and civil supplies and has 28 members. So far, the membership consists of officials and members of parliament. Its role is advisory in protecting consumers in the matter of quantity, quality and price.<sup>21</sup> All this is not only not adequate but in practice hardly any use has been made of the institutional machinery provided by the statutes. In England, a number of consumer councils exist to handle various problems, for instance, the National Gas Consumers' Council under the 1972 Gas Act, the Electricity Consultative Council, Domestic Coal Consumers' Council under the 1946 Coal Industry Nationalisation Act, Transport Users' Consultative Council under the 1947 Transport Act, the Post Office National Users' Council under the 1969 Post Office Act, Programme Complaints Commission for Broadcasting, National Consumer Council under the Prices and Consumer Protection Act, 1974, Consumer Health Councils under the National Health Service Reorganisation Act, 1973, etc.<sup>22</sup>

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## Social Context of Accountability

C. P. Bhambhri

IT IS a truism to say that human societies are historically determined and their concrete manifestations have specificity and uniqueness. The colonial domination of India for more than two hundred years seriously distorted its growth and after independence of the country from the British rule posed multiple challenges of development and reconstruction of social relations in India, and such a herculean task could not have been performed without an active initiative and intervention of the government. While all contemporary societies are experiencing a common phenomena of the 'Big Government', its meaning in India has some salient features. First, the Government of India is an engine of growth in the broadest sense of the term. The Government of India lays down the goals of social development and it actively participates in achieving those goals. The performance of such a task has necessitated the creation of a complex network of administrative institutions, and these institutions have spread in a manner that the Indian society cannot escape their impact. Second, the Government of India has emerged as the chief regulator of human relations in the country. The critics of planned development of India allege that the government is excessively regulating the economy, the fact is that the government is regulating all major aspects of social life. A government cannot regulate economy without intervening in diverse social fields which are directly linked with economy of the country. Third, the Government of India is the sole protector of vulnerable strata of the society. The Indian society is highly differentiated into classes and groups and the majority of Indian people are subject to the domination and exploitation of the minority of socially privileged and powerful groups. Without governmental intervention and the policy of 'positive discrimination', the scheduled castes and tribes cannot join the mainstream of Indian development. These three specific social factors have made the Government of India the biggest employer, the biggest investor and the sole protector of the deprived and discriminated strata of society. Hence the 'Big Government' in India is both a

normative and empirical social reality.

# I

Such a Big Government which is almost a leviathan, has to be held accountable and for this mere institutional and formal checks and balances are not enough. Accountability of political and administrative decision-makers is closely linked with specific social context and power relations in a society.

Power is a mechanism of social control, but different groups in society have differentiated capacity to dilute and subvert governmental power. In every society, power of the government has to compete with other centres of social power, and in this process, governmental accountability becomes real in the case of some social groups, but accountability remains a pious wish and a formality while interacting with weak social groups. An unequal distribution of power in society evokes unequal responses from administrators who, in their actual conduct, are favourably disposed towards some social groups and, while dealing with the underprivileged, administrators may show formal sense of accountability or pay a mere lip service to it. The central theme of relationship between governmental accountability and human society is that accountability is real in some cases and formal in the case of others because all social groups do not possess equal power and capacity to enforce accountability on the decision-makers.

Henry W. Ehrmann rightly observes:

The larger the policy-making function of the bureaucracy, the more intensely the groups turn to it for protection.<sup>1</sup>

Similarly Nicos P. Mouzelis observes:

Indeed individuals and groups have differential control over decision and policy-making as well as differential access to organisational resources. The distribution of control over resources and over the behaviour of others, and the ensuring formation of interest groups - competing with each other in their attempt to preserve or change in their favour the above distribution, are crucial clues for understanding organizational reality.<sup>2</sup>

Max Weber, the most important modern theoretician of bureaucracy, clearly recognised the struggle for power "which in the modern state

may lead to changes of control over the bureaucratic apparatus but not to its destruction."<sup>3</sup> Thus, governmental accountability is ensured, widened and deepened by struggles among social groups to regulate and open the exercise of power by the legal functionaries. But every social group does not succeed to the same extent as others in struggle to make the government accountable and responsive. This framework is essential to analyse the reality of social context of governmental accountability in India.

## II

The concept of governmental accountability has been used in a restrictive and formal-legal sense, but its real significance can be established only by broadening its meanings. Accountability of the government is to the various segments of society, and governmental accountability lies in the actual performance of roles by the governmental functionaries. While performing their multiple roles, the governmental functionaries come into contact with diverse social groups and reality of accountability is revealed only in administrative performance. If role performance is the central feature of governmental accountability, its concrete social context may be examined in the Indian social setting.

India is primarily an agrarian society and power relations in rural India are determined by the nature of land ownership. All targets of achieving social justice are directed for the removal of poverty but the richer strata of rural society effectively intervene in influencing the performance of administrative functionaries. The nature of poverty in India is revealed very clearly by Table 1.

Table 1 PERCENTAGE OF PEOPLE BELOW POVERTY LINE

S.N.	Area	1972-73	1977-78
1	Rural	54.09	50.82
2	Urban	41.22	38.19
3	All India	51.49	48.13

Source: SIXTH FIVE YEAR PLAN: 1980-85, p. 51.

The above mentioned table of the distribution of poverty in the countryside clearly reveals that an absolute majority of the rural poor are socially weak to assert any power over governmental agencies and functionaries. According to the 1981 Census, about 148 million or 22.5 per cent of the country's population consists of agricultural labourers and cultivators. In this social setting, the absolute majority of the rural population has no capacity to ensure accountability of performance by the governmental functionaries. In the same agrarian social setting, a powerful minority of landowners wield considerable influence over governmental institutions and functionaries. The consequence of unequal distribution of social power in rural India is that the socially powerful can compel governmental functionaries to tilt their performance in favour of the rich. The administration in rural India may remain in the parameters of procedures but the net outcome of governmental performance is more beneficial to the rural rich than the rural poor. Many academic studies and evaluation reports of the Planning Commission of India have highlighted that many programmes of rural uplift do not reach the really deprived strata of society because governmental agencies attach greater importance to informal accountability than to the formal sense of accountability. Professor Kuldeep Mathur and V.A. Pai Panandiker have clearly proved that many programmes of rural development in actual performance tend to reach the rich than the poor. The rich cultivators could meet the officials on their own for help or guidance, while the poor maintained a distance from the official machinery. Accountability of governmental functionaries is more to those strata of the society who can establish direct rapport with the decision-makers than those who cannot reach anywhere near them. The social distance and social linkage between the government and the governed in rural India is determined by caste and class status of the governed. The blood and flesh of governmental accountability is provided by social status of the clients of public agencies. Pai Panandiker observes:

The big cultivators were, thus, the most favoured ones among the three classes of cultivators in both the districts. A large majority of them had received a sympathetic consideration to their problems from the officials when they had met...<sup>4</sup>

How can administrative accountability be enforced if some strata of society feel close kinship with decision-makers and while others fear to come near the decision-makers. Pai Panandiker reports, "a large number of small cultivators in our sample in both the districts felt that the first preference of the visiting officials



in meeting the people was for big cultivators and the second preference for local leaders and influential persons."<sup>5</sup>

Thus, the major empirical fact regarding governmental accountability is that in rural India closeness or distance from bureaucracy makes accountability either real or formal. The explanation for different levels of public accountability lies in social disparities in agrarian structure of India.

To sum up, the concept of public accountability is an important problematic area in the literature on bureaucracy, but its quality and content is determined by social specificities. The formal aspects of public accountability are not adequate to understand its real significance. The actions of governmental institutions are subjected to multiple social pressures of which some succeed more than the others. Public institutions are more responsive to the demands and interests of some groups and they ignore many areas of social activity while performing their legal responsibilities. Many public programmes for the rural poor do not reach them because many social forces intervene against it. Accountability is linked with performance and capability of governmental institutions, but their performance and capability is determined by complex and competitive social forces. Many social processes mediate in the actual day-to-day functioning of the government, and accountability in the broadest sense of the term cannot be insulated from specifics of social reality.

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# Ethics and Administrative Accountability

O. P. Dwivedi

IN THE past, public administration -- its theory as well as practice -- has largely concerned itself with the ways and means of implementation and enforcement, that is with process and procedure. It was assumed that once plans were formulated, implementation will automatically be carried on by the civil servant, operating within the well-established rules and regulations, and also under the general supervision of ministers at the top. The main focus was on plans and schemes which were to be prepared with great care reflecting the needs and aspirations of the society as articulated by media, interest groups, and political parties. It was also assumed that the results (or productivity) would be achieved without much delay because the country possessed a corps of hardworking and dedicated civil servants. It was also expected, especially in a country like India, that there would not be much problem in achieving the desired results as the country inherited one of the best administrative machineries in the world. But when such expectations did not match the plans, the bureaucracy was immediately blamed, while the bureaucracy pointed an accusing finger to the constant interference in its work by the politicians -- both elected ministers and other party functionaries. The problem became more complex when the bureaucracy was entrusted with immense discretionary power to build the nation. It was not surprising then to see that those, who realised the potential use of such power, devised ways and means to exploit it for some ascriptive reasons. This contributed to further rise in unethical activity in the public service. While there is evidence that unethical activities in the public sector are ever increasing, yet the demand by the public for more governmental involvement and for more plans and schemes is not relenting. Over and above, now, there is a clear emphasis on administrative accountability along with the demand for improving the moral fibre of public servants. Thus, the issue of ethics and administrative accountability acquires

[NOTE: In this article the two terms 'civil servant' and 'public servant' have been used interchangeably.]

a particular significance.

Over the years, but specifically during the past three decades, there has been an enormous increase in the scope of governmental activity and in the range of its objectives. At present, the impact of governmental activity pervades nearly all aspects of society's life. Even then, the public continues to expect and calls for governmental intervention which gives the state more chances to acquire further power in the name of satisfying the collective needs of the society. Thus, we witness that the state regulates social and economic institutions, harnesses national energies, advances public education and welfare, sponsors and cultivates recreational and cultural events, provides means of transportation and communications, and undertakes many more allied activities. The natural consequence has been a heavy reliance by the public on government officials whose ranks and number have been growing ever since. This expansion, both in the scope of activity assigned to them and in quantity, has given the state an awesome power base. It is obvious that the more society is administered, the more power gets concentrated in the hands of ministers and public servants. Naturally, opportunities also increase for the misuse of power as well as for unethical activities. In some cases, these opportunities have been well exploited by some unscrupulous members of the society who tempt public servants with some financial gain; and in some cases, public servants and ministers have come to expect such 'extra' income as a matter of routine. But now the public is worrying if any further strengthening of the power of the state may not ultimately result in an authoritarian rule. Consequently, there is a demand for public service accountability as well as for a 'clean' administration. And as ministers and public servants are both involved in the governing process, it is essential that we examine the issue of ministerial responsibility and their relationship with public servants.

#### ACCOUNTABILITY AND THE CONVENTION OF MINISTERIAL RESPONSIBILITY

In three commonwealth countries, the UK, Australia and Canada, various inquiry commissions have commented on the prevailing myth of the doctrine of ministerial responsibility in their countries. The constitutional doctrine of ministerial responsibility meant that, as noted by A.V. Dicey, a minister was legally responsible for every act committed by a civil servant in his department whether the minister personally ordered it or not. This doctrine let the minister take all credit or any blame for the deeds performed by his civil servants; and at the same time, civil servants received the necessary protection from public exposure, and maintained their

political neutrality. However, over the last two decades, the doctrine of ministerial responsibility has weakened a lot; for example, the practice of ministerial resignations for deeds of their civil servants has disappeared, while there has been a constant erosion of the anonymity of civil servants as they have been named in public inquiries, and in other documents. Parliamentary committees, especially the public accounts committees in Australia, Canada and the UK, have required the presence of senior civil servants to give evidence when their departmental funds or programmes are being reviewed. At the same time, the complexity of modern government, and the amount of work handled by each department is so great that no minister can possibly supervise all the administrative acts of even a very small department. Hence, it is unrealistic to expect a minister to be accountable for every act of his civil servants. Thus, the continuation of old convention would mean that the consequences would be too harsh on ministers, and unduly light on the administrators.

Realising the changing nature of the parliamentary system of governance, and the place in it for the convention of ministerial responsibility, the Fulton Committee observed in 1968:

Indeed we think that administration suffers from the convention, which is still alive in many fields . . . . This convention has depended in the past on the assumption that the doctrine of ministerial responsibility means that a minister has full detailed knowledge and control of all the activities of his department. This assumption is no longer tenable. . . . In our view, therefore, the convention of anonymity should be modified.<sup>1</sup>

A few years later, in 1975, the Royal Commission on Australian Government Administration noted :

...a minister's responsibility is now seen as requiring him to bear the blame for all the faults and shortcomings of his public service subordinates, regardless of his own involvement, or to tender his resignation in every case where fault is found.<sup>2</sup>

These sentiments were also echoed in 1979 by the Canadian Royal Commission on Financial Management and Accountability which stated that:

While we have no wish to dispute the principle of ministerial responsibility, there can be little doubt that today the degree to which a minister really has the effective management and

direction of his department is open to question. . . . The twin assumption that parliament has clout as well as the information to exact a relevant accounting, and that the departments can be managed and directed by ministers, do not hold as they once did.<sup>3</sup>

These three examples from the UK, Australia and Canada point toward the public acknowledgement of the view that a minister in a parliamentary system cannot possibly acquaint himself with every detail of administration in his department; consequently, he should not be personally held responsible for every act of his civil servants. Thus, the relevance of the doctrine must be questioned in the present-day context of the management of public programmes. While one may not go as far as to say that the concept of ministerial responsibility is now defunct, there is no doubt that it has become an ineffective convention, although both ministers and senior civil servants still wish to retain it.

If, as mentioned above, the convention has become nothing but a myth, then what has been done to replace it? And as the myth continues, and as no specific formulation, or a different convention has replaced the old one, it is no wonder that parliaments of these countries have lost their effectiveness to fulfil their historical and crucial role to hold the ministers and their civil servants responsible and accountable for the conduct of their respective nation's business, and to keep control over the public purse. One example of such a situation, which was highlighted is the case of Canada when in 1976 the auditor general indicted the federal cabinet for the quality of financial management, and claimed that parliament of Canada might have lost, or was in the process of losing control over the way public funds were being handled by government departments and agencies. The immediate response of the federal government was to appoint a royal commission of inquiry which reported in 1979, among other things, that while the practice of responsible government operating in Canada should stay within the framework of the parliamentary system, the cabinet must be held accountable to parliament for the conduct of the nation's affairs; and "this must be matched by an increased capacity on the part of ministers collectively and individually to hold departments and agencies fully accountable for the efficient and effective discharge of their responsibilities."<sup>4</sup> But the commission, in no equivocal terms, recommended that the individual operational departments and their administrative heads must be required to account to the government for their performance and the government in turn should be held accountable by the parliament for the overall management of the

nations's programmes.<sup>5</sup> While the commission did not elaborate on the style of management, and what would replace the old convention of 'ministerial responsibility', it is clear from its viewpoint that the prevailing myth was not workable and ministers 'alone' should not continue to be held accountable for the administrative performance of a department, ministry or an agency. Parliament, consequently, would have to require the departmental heads to appear before its committees to answer detailed questions about the totality of spending, results achieved in the past, impact of the budgetary allocation on the present and continuing plans, and the future direction of that department or agency. This would also mean that each department, through its designated officers, would become responsible to a specific parliamentary committee for the evaluation of its programme effectiveness. In such a situation, a minister would not have to appear before that parliamentary committee to answer questions and shield his department, unless the committee is seeking answers on broad policy questions which the minister might have initiated personally. Of course, in order to reach a logical conclusion of the above mentioned system, each administrative head of a department would have to establish its own procedure of accountable management by identifying objectives and responsibilities of each branch or sub-unit, and then allocating these responsibilities to individual officers who would be held personally and specifically accountable (for the performance of their respective allocated tasks) not only to the department head and the minister, but through them, to respective parliamentary committees.

In order to carry out the above process, each department must establish separate and accountable management units with clearly defined objectives and sub-objectives. This will also include the identification of aims and objectives of public servants' activities by matching their qualifications with the aims and objectives of their sub-units where they are employed. This will allow for the more effective exercise and review of their performance by the policy-makers. Unless the objectives are known, and are clearly laid down, it is difficult both to measure the success in achieving them and to question the unrealisation of the same. In order to have a proper accountable management, "it is necessary to know what is at present being done, how much it is costing, what results are being achieved, what the alternatives are, how much they would cost in comparison, etc. The process of quantification also helps to identify unnecessary overlap, duplication of responsibilities and consequent waste."<sup>6</sup>

The above described accountability style forces the executive of departments and agencies to spell out their objectives and apportion

them to units; this, in turn, gives the cabinet, but more so the parliament, and the public, a better chance to know what programmes are being undertaken, their cost, who is in charge of them and what is expected of them. In this way, parliament can exert more systematic control over the cabinet and on the departments on behalf of the public. Precisely, this style of accountability management opens the way for a better method of Management by Results (MBR).

Thus, the case for an accountable management rests not only on the grounds of efficiency of modern government, but more so on the effectiveness of control of governmental policies and programmes by parliament. Management of a public programme requires not only an appropriate management structure with necessary resources and techniques; it also requires a right framework of accountable management through which those in charge of public programmes can be held responsible and accountable for their intentions, actions and results. In Canada, the treasury board, a central agency responsible for efficient and effective management of federal government's resources, has decided that unless departments and agencies are held accountable for achieving their stated goals with minimum direction from central agencies, sound management and strict accountability cannot be achieved. In order to achieve this end, each department and agency is required to establish clear, annual objectives for all managers, to develop shorter-term operational work programmes to facilitate planning and monitoring of managerial efforts, and to conduct programme evaluations. Also, departments are required to adopt the internal audit system which appraises all departmental operations with a view to determining the efficiency, economy, and effectiveness of internal management policies, practices, and controls. To reach such goals, departments are then to be organised in "responsibility centres directly related to programmes, activities, and sub-activities that can be identified with particular resources and, wherever possible, with specific measurable outputs associated with the deployment of resources."<sup>7</sup> Consistent with this approach, departmental heads have been given essential discretion to tailor organisational structures to the needs of their departments. However, the progress is slow, not all departments have completely adopted the new system, and then their reporting system to parliament is yet to be fully tested.

It is clear that a new management philosophy is required to clarify the confusion created by the continuation of the myth of 'ministerial responsibility'. The above-mentioned management accountability style could very well be a good substitute for the prevailing system. However, in those parliamentary countries where officers get transferred quickly, as a routine from one position to

another, and from one department to another, or from one level of government to another, the suggested method would not work. An officer would have to, as a normal duty or assignment, stay in one place for at least five years; otherwise, it would be easier for an officer to shift blame to the predecessor, or to leave unpleasant or definite decisions for the successor. Another change required would entail modifications in the disciplinary and grievance procedure which could permit the immediate implementation of reward or punishment given to an officer. Of course, appeal mechanism or review process would continue to operate but an offending officer would not be able to bring a stay order to either delay the decision-implementation, or to circumvent the process by other means, including seeking political pressure or influencing the system otherwise. Of course, if the appeal or review of such a decision results in a favourable report, any loss in salary or in position would be immediately restored. The point being emphasised here is that those who would like to use various devices to escape accountability must be prevented from doing so; and, of course, politicians, but ministers in particular, would have to be the first not to meddle into the disciplinary process. As long as an offender knows that he could get protection from a powerful ally, be that a politician or a union leader, the accountability system would not work in reality. To achieve this end, a morally strong political leadership would be required.

The foregoing review of the tradition of ministerial responsibility and the need for individual accountability has led to the conclusion that there is an urgent need to consider an appropriate management framework for restoring the effectiveness of parliament and for securing a responsible and accountable government in these countries. In order to achieve this major aim, it would be essential that: (a) a suitable procedure for setting objectives and goals and for assigning responsibility to individual officers and administrative units to achieve results be set up, (b) a system of feedback and reporting be established which is used to monitor the progress toward the achievement of goals set by the legislature and later elaborated by the cabinet and ministers, (c) an effective mechanism for evaluating the performance of individual officers would have to be devised, and (d) a commitment would be needed from the political leaders not only to honour those mechanisms and procedures set to achieve responsible and accountable government but most specifically to refrain from using their positions of power to meddle into the normal functioning of the administration. There appears to be more danger from the political side of the governance mechanism than from elsewhere. Finally, legislative committees where administrators



would be required to appear as witnesses would have to act in objective and less partisan manner. In general, an overall environment of responsible behaviour must emerge if a country wishes to sustain an accountable administration.

#### ETHICS AND RESPONSIBILITY IN THE PUBLIC SERVICE

While in countries like the UK and Canada, efforts were made a century ago to remove the extensive use of patronage and nepotism and the use of political power for private gains; and when it was realised that the patronage and maladministration adversely affected the quality and integrity of the public service, reforms were effected the personnel administration. Thus, an era of public service neutrality, civil service anonymity, ministerial responsibility and the merit system was ushered in. Nowadays, in these countries, finer elements of civil service tradition are so entrenched that generally they are taken for granted. However, in some third world parliamentary countries, there appears to emerge a reverse process of development in this field. For example, in India, the independence came with one of the best trained and efficient civil services in the world, already possessing these finer qualities of managing the modern state. Politicians, both holding elective government offices and others, acknowledged the expertise of their civil servants and sought their advice in preparing plans and policies, while the civil servants respected their ministers for their dedication, sacrifice, and right to change existing policies and plans as representatives of the public. Thus, an environment of mutuality of appreciation and respect existed. But over the years, and particularly since the late 1960s allegations continue to be made that this has been replaced by the use of public office for private gain in many cases. Of course, the catalytic agent conducive for such an environment is that group of the society which believes in the subordination of moral principles for the sake of achieving its selfish end. It is no wonder then that the public's confidence in the merit system of selection and promotion, in impartiality and objectiveness of civil servants, in the use of discretionary authority, and in the role of the elected representatives (especially the ministers) as competent and fair arbiter of societal conflicting interests for upholding the system of responsible government has declined enormously. This is matched by a serious decline of morale of civil servants ostensibly responsible for implementing government policies and programmes. And both groups suffer from the unethical environment surrounding the administrative state. This double edge of the blade has deeply cut into

the performance, productivity, responsiveness, and accountability of civil servants. One also notices that influence, power, and authority of the ministers has been expanding unchecked by any legislative bodies, and one also finds that the rush by many of them to cash in the privilege of holding public office into material gains has overtaken the cause of defending the public interest at all cost. In this equation, some civil servants are eager to assume a sub-servient role while the elected representatives decide, bypass the established rules and procedures, and command the administration to implement their ascriptive decisions in the affairs of the state. The power of ministers, especially in getting civil servants transferred, securing postings in positions of influence or promotions, has increased tremendously over the years. It appears to an outsider that the civil servants have abdicated their power and authority to political leaders. Many civil servants do not want to take a final decision for fear that either they may be overruled or political pressure may be brought to bear upon them, thereby forcing them to change, rescind or accommodate ascriptive criterion. Thus, an environment of 'playing safe' has appeared which is not conducive to create an atmosphere of public service accountability.

In the evolution of liberal democratic parliamentary system of government in India, there has always been a tension between the representatives (both elected and party functionaries) of the public and the civil service. Previously, elected politicians used to respect rules, regulations and procedures of governance as established by government. Later, the practical necessity to be known as 'effective administrator' who delivered the goods, forced the politician to get ahead with the task of governance as expeditiously as possible, even bypassing the normal channels of bureaucratic rules and procedures. This, naturally, affected civil servants as well.

While the representative institutions, parliament and state legislative assemblies have remained relatively static both in terms of size, functions and responsibilities, our administrative institutions have experienced enormous growth. However, this numerical disproportion between the representative and bureaucratic elements of government is not as crucial as the enormous delegation of discretionary powers in the hands of ministers and civil servants. The exercise of these discretionary powers (for issuing of industrial licences and export-import permits, fixing of rates and distribution of essential goods, acquisition and release of land and other items) by the ministers and civil servants has posed the greatest threat to our democracy. The threat comes from the fact that present-day representative institutions appear to be incapable

to securing responsibility from the ministers. And while so much attention has been directed to improve the efficiency, performance and capability of the civil service, no such efforts have been made to make our representative institutions to act responsibly. For example, several commissions of inquiry appointed to examine charges of corruption against ministers, and even when these charges were found correct, the situation did not change much because the so-charged persons were either not removed from public offices or, if forced to resign, did return to the cabinet after re-election as if such charges were washed away because of the stamp of a general election. Moreover, there were many against whom charges were laid, but no pressure was brought to bear upon them to vacate their parliamentary or legislative seats. When such instances become a regular feature of the governing process, it is not surprising that their present behaviour reflects their earlier deeds. Consequently, the abuse of power, sometimes indirectly but more often than not, has been blatant. Some civil servants, awaiting for an opportunity not to be left behind in doing the same, eagerly obliged such ministers. It is no wonder that the repute of governing institutions slid downwards.

The decline in power and prestige of these institutions has left a vacuum in the management and continuity of responsible government in India. The greatest moral dilemma before the public servants of many third world countries today is that while they, being employees, are subject to (and are subjected into) various rules and procedures to make them behave responsibly, is there any institutional mechanism which can hold the ministers accountable for their actions? If they (the public servants) perceive that the parliamentary democracy as practised in India now-a-days is incapable of exacting responsibility from the ministers, shouldn't they also trim their sails to the prevailing political winds where objectivity and impartiality are not absolutely required. In such an atmosphere, only the democracy is loser. Presently, protecting the incompetents, humiliating officers for real or imagined instances of disobedience and discourtesy, gross interference in the service rules and procedures, and the use of government machinery and influence to secure privilege and funds for personal or political purposes appear to be a regular feature of politicians in control of administration. This has naturally resulted in the weakening and seemingly disappearance of such basic concepts as 'civil service neutrality', 'the merit principle', 'the doctrine of ministerial responsibility', and 'the civil service impartiality'. So, either these foundations on which some of the third world countries, such as India, based their civil service should be changed to reflect the realities of

the present era, or if these basic elements are still considered worthwhile, then it is the duty of the prime minister of the country to intervene and protect these basic foundations by initiating the necessary changes and by bringing order in the chaos and maladministration which is pervading the administrative state of the country.

#### CONCLUDING NOTES

The preceding discussion requires a brief review of the three interrelated issues: (a) are there different requirements of public service accountability for the third world countries?, (b) if public servants are going to be required to defend publicly their stewardship of public policies and programmes, what are the consequences for various conventions hitherto considered sacred?, and (c) what can be suggested as general principles towards ethical and accountable public administration?

#### Accountable Development Administration<sup>8</sup>

Conventional theory of public administration assumed that once administrators were assigned their tasks, the system would automatically create its own chain of accountability. Developmental objectives, which were painfully sketched in long range plans and through administrative directives, were assumed to be fulfilled once the field administrators were given the authority and necessary resources to implement them. However, no serious effort was made to exact accountability for programme objectives in order to determine if the scarce resources had been efficiently and effectively used. Development administrators, while handling the mammoth task of nation-building (with seemingly unlimited authority to redistribute and regulate the economy), often opted for an easy way out by making sure that their actions were protected by the necessary paper work. This, naturally, resulted in over-dependence on rule-books and red-tape -- a phenomenon widely prevalent in all the third world countries. This preoccupation has created a bureaucratic environment of distrust among public servants, which has inhibited the creation of a milieu for effective, responsible and accountable administration. Unless the administrators are held accountable for their decisions, and unless they are appropriately given credit for the results achieved or reprimanded for failures, development administration cannot achieve the necessary credibility and effectiveness among the masses. However, for the administrative accountability to become successful, it will be necessary that a responsible and equally accountable system for political executives and

ministers is established. For administrative accountability is meaningless without first securing the accountability of politicians.

#### On Holding Public Servants Accountable: Scope and Consequences

Earlier, it has been discussed that the convention of ministerial responsibility and civil service anonymity has become unworkable, and it is no longer a practice, followed by any parliamentary government, for a minister to resign over the failure of his civil servants unless the minister positively contributed to the act. But while the convention of ministerial responsibility is, for all practical purposes, not operational, the tradition of civil service anonymity continues. Parliament is still unable to question directly the civil servants, and their accountability to it remains indirect. This situation should not continue for long. A new convention should be developed which would create a direct relationship between the official and parliament. Civil servants and managers of government corporations would have to be prepared to defend in public without the shield of ministerial protection for the actions they take.<sup>9</sup> Of course, ministers would continue to answer questions raised in parliament; however, such questions may relate to the broader issues of government policies and programme rather than detailed scrutinisation of specific acts. This direct relationship between parliament and civil servants would also mean the shifting of consequences for programme failure from a minister (who was supposed to resign when the convention of ministerial responsibility was operational) to a particular civil servant, or to a group of civil servants. Under such circumstances, the existing service rules which govern the tenure of civil servants would have to be changed; and a new disciplinary process would have to be instituted. And then, when officials would be required to appear before parliamentary committees, they might become identified with a particular policy stand taken by the party in power. Consequently, their suitability to act in the most objective manner might be questioned by other political parties. This would mean a change in the tradition of civil service anonymity, as well as in the system of political neutrality. Thus, while it is essential to close the existing gap resulting from the non-operation of the convention of ministerial responsibility, and to institute a system of public accountability of officials, it is equally important that all ramifications of the new process be understood. The author suggests that each country with a parliamentary system of government should consider appointing a commission of inquiry or a task force on public service accountability with a clear mandate to examine the

relevance of time-honoured but now questioned conventions of ministerial responsibility, civil service anonymity, and political neutrality. There is no doubt that the demand to hold public servants accountable will continue to grow in future, hence, efforts should be made not to block but to facilitate the entry of this momentous reform of the twentieth century in the field of public personnel administration.

#### Towards Ethical and Accountable Administration

There is more danger to the society from the immoral, improper and illegal actions committed in the name of the state than from a few cases of unethical acts by public servants. And as the state cannot perform those immoral actions without the active participation of its ministers and public servants, ultimately it depends upon these employees to behave morally. Given a democratic political system operating within the framework of the rule of law, an important goal of the administrative state should be to control the abuse of power and to ensure that elected representatives and responsible public servants are held accountable for the proper exercise of power. The abuse of power in the public sector can undermine public confidence and trust in government, reduce the capacity of government to fulfill its functions effectively, subvert ethical responsiveness to the citizenry, and impose unnecessary financial burden on taxpayers. The capacity of a political system to prevent, detect, punish, and control such abuses will have a direct bearing on its legitimacy and will strengthen the moral basis of its authority. The abuse of power relates not only to the commission of a crime as defined by statute but also to the omission of the use of power or non-enforcement of the law where an official is duty-bound to act but does not do so either because of refusal (de jure non-enforcement), incompetence (de facto non-enforcement), or negligence. That is why it is very important for public servants to subscribe to the code of ethics which can guide them to resolve any ethical dilemma that they may face.<sup>10</sup> It is desirable that public servants should be aware of general principles of conduct as expected of them not only by the state which employs them but also by the public. A set of such guiding principles, endorsed and enforced by the supreme political authority of the country, should be adopted both for the ministers and public servants. It should be noted that such principles and ethical guidelines may not necessarily produce a more accountable and ethical administration. However, it will assist them, as trustees of the public, to maintain a high standard of performance and to commit themselves to uphold the public good. The society looks up to them as leaders of social

change and as champions of virtue and character. That is why they (but more so the ministers) should exhibit moral maturity which involves a sensitivity to questions of personal and social responsibility, and an ability to distinguish moral judgements from expressions of personal or conventional preferences. Thus, their commitment to assist the public in achieving the ideals of life in the society through the machinery of state is all the more important.

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# Public Accountability and Ethics in Administration

P. R. Dubhashi

PUBLIC ACCOUNTABILITY is a feature which distinguishes public administration in a democratic set-up as against that in an autocratic set-up. An autocrat is accountable to none whereas in a democracy, the public administrative authorities are, in the ultimate analysis, accountable to the people.

## ACCOUNTABILITY IN A DEMOCRATIC SET-UP

In a system of parliamentary democracy, the parliament represents the people and government is accountable to the parliament. The government itself consists of the political executive and administrative executive. The administrative executive is accountable to the political executive, which in turn is accountable to the parliament.

The administrative executive is arranged in hierarchical order and subordinate public servants are accountable to their superiors.

Various mechanisms have been evolved to enforce accountability of the executive to parliament. Before the budget is passed by parliament, there is a fullfledged discussion on the annual reports of the departments and in the course of discussion, the members of parliament raise several points regarding the working of the department and the minister incharge is required to provide explanations and clarifications of the points raised. It is only after the parliament is satisfied on the points raised, that the grants of the department are passed. It is time that almost every year for want of time, demands for grants of executive departments get passed, without discussion by applying gillotine but the remedy for this would be either more time allowed for discussion on demands for grants or better rationing of time.

Even after this, parliament enforces the accountability of every department through various devices like parliamentary questions, call attention motions and discussions in the consultative committees.

Public accounts committee makes a thorough review of the work of



various departments on the basis of the audit report presented by the accountant generals in states and the comptroller and auditor general at the Centre. Secretaries and their senior colleagues appear before the public accounts committee to explain the lapses pointed out in the audit report. However, more often than not, the matters are reviewed several years after their occurrence when those responsible for the lapses might through retirement or transfer not be available to answer the questions.

The public enterprises while being accountable to their board are in the ultimate analysis accountable to the minister and the parliament. The parliamentary committee on public undertakings reviews the work of public enterprises and draws attention to deficiencies and suggests improvements.

The committee on subordinate legislation keeps a watch on rules and regulations issued by departments and satisfies itself that they are within the four corner of laws passed by parliament or legislature.

Except for the work of the parliamentary committees, there is no direct inter-face between the parliament and the administrative executives. Vis-a-vis parliament, it is the minister who shoulders the entire burden of accountability. For every act of omission or commission, it is the minister who assumes the constitutional responsibility. By convention, the individual officials are not expected to be mentioned by name on the floor of the parliament, since no one should be personally criticised who has no opportunity to be personally present and reply. This does not mean that individual responsibility cannot be fixed on a public official - it can be, but through the administrative process.

#### Accountability through Administrative Process

Individual members of the cabinet while being responsible for the departments in their charge are also accountable to the cabinet and its committees which review from time to time several aspects of the working of the departments.

Administrative executive is, as stated already, accountable to the political executive. All important decisions are, of course, taken by the political executive with the help of secretariat officials. Within the policies laid down, the line departments carry on their day to day work, reviewed from time to time by the minister or the secretary who helps the minister in such reviews. It is through such reviews that field administration is held accountable to the ministry. Also through annual confidential reports (ACRs) the work of public servants is assessed. ACRs do affect the future career of civil servants and hence are an important instru-

ment of holding them accountable.

Whenever serious administrative lapses take place, enquiries are held to enforce accountability on those responsible for the serious lapses. Such enquiries often show that it is difficult to pinpoint responsibility. Decisions are taken in such a manner that responsibility cannot be fixed. Files pass through several stages, and meetings are held which spread the range of accountability so wide that no one individual could be held responsible for any lapse. Sometimes, action is taken on the basis of oral instructions and this adds to the difficulties in fixing accountability. Circulars have, therefore, been issued to the effect that all oral instructions should be followed by orders in writing.

#### Enforcement of Accountability through the Judicial Process

If any action by any administrative authority causes loss to a citizen, he may go to the court of law for redressal of his grievances. However, no public official can be criminally prosecuted without the necessary permission of the authority. It is felt, however, that for any lapse in the shape of any unconstitutional or illegal act of public servant, the accountability must be enforced in court of law and he should not take shelter behind the protection given by the need to seek the permission of the authority.

Ombudsmen or vigilance authorities are also agencies through which the public citizens can get their redressal from corrupt or illegal acts of public servants.

#### Positive Concept of Accountability

But public accountability is not just in the negative sense of holding public servants responsible for their lapses. It has a positive connotation. Public servants have responsibilities to discharge which are of tremendous public significance and indeed can make all the difference between the survival and progress of the nation. To fulfill these responsibilities, a public servant needs stability of tenure and necessary administrative support. Given these pre-conditions, he must deliver the goods. If he fails, he must be held accountable. This often does not happen because of constant transfers and diffused responsibility.

The positive aspect of public accountability in terms of achieving results is far more important than the negative aspect in terms of avoiding lapses. Unfortunately the latter is often highlighted while the former is neglected. If this happens, public accountability may prove even counter productive. Public servants would like to err on the safe side rather than take decisions which

could expose them to errors and public enquiries. Public servants should have the full confidence that bonafide mistakes would not expose them to persecution while positive achievement would be recognised and rewarded.

Finally, public accountability is a matter of attitude of public servants towards the public. Very often public servants tend to forget that public administration is not an end in itself but a means to an end - and the end and indeed the sole *raison-de etre* of public administration is public service and this should be reflected in every act of every public servant from top to bottom. It is only then that the public will have the feeling that public administration is accountable to the public. To an extent, training can promote and foster such attitudes amongst the public servants.

### ETHICS IN PUBLIC SERVICE

Of the many aspects of public administration, the ethical aspect is perhaps the most important but the least codified. While administrative rules and procedures have been codified in various public documents and manuals, there is no manual for the ethics of public servants.

It is of utmost importance that the public administration should be efficient but it is even more important that it should be ethical. It is said of an individual that if character is lost, everything is lost. It could be stated about public administration, that if ethics is lost, everything is lost.

In India, though there is no ethical code for public administrators, there are, what are called, the Government Servant Conduct Rules. These rules lay down what constitutes misconduct for the public servant. It is apparently implied that such misconduct, which is not permitted, is also unethical conduct.

One such misconduct is the acceptance of the illegal gratification. The government servant is forbidden from accepting any payment in cash or kind or any lavish hospitality from any member of the public. The only exception is small and inconsequential gifts upto an amount of Rs. 75 or an occasional meal. However, in spite of this, allegations of corruption are made from time to time. Several committees on corruption in public servants went into the subject and on the recommendations of those committees, vigilance commissions have been constituted at the level of state and Central governments. The central bureau of investigation as well as the state anti-corruption branches investigate into complaints of corruption. It has been stated that an increase in remuneration for public servants, reducing opportunities for corruption and

tightening of the vigilance machinery are the means of combating corruption in public services. But, in the ultimate analysis, corruption is a matter of ethical traditions of the public service and the political, economic and social system in general. After all, ethical standards of the public servants cannot be divorced from the standards of the community as a whole.

Like the corruption, nepotism is a misconduct. No public servant is expected to take decisions in cases in which he or the member of his family is personally interested, and yet cases are not rare where public servants do bring to bear upon them influence on appointments, posting or promotion of their kith and kin in public service. Establishment of independent public service commission and selection, promotion and appointment committees are expected to curb such nepotism.

In order that a public servant does not use his position to give favours to parties with a view to securing employment after retirement in enterprises which have been so favoured, it has been laid down that for two years after retirement the government servant may not accept employment in private business without the permission of government.

A government servant is forbidden from bringing to bear outside influence on his own appointment and yet cases are not lacking where the government servants have approached politicians in authority for favourable appointments.

The Government Servants Conduct Rules do not allow a public servant to participate in public meetings or to give expression to his views on public affairs in newspapers and other media. He is not allowed to be a member of a political party. This is to ensure the neutrality of the public servants and the confidentiality of government work. The only exception for this restriction on the freedom of expression of the public servants is literary and a scientific writing.

The public servants have to follow the rules of secrecy and any disclosure of information regarding government business which he is not expected to make, exposes the public servant to punishment. As a result the public servants are given to excessive secrecy and often the public servants are very reluctant to be available to the journalists. The public servants like to maintain their faceless character.

For indulging in any kind of misconduct, the government servant exposes himself to punishment. There are major and minor penalties; the major ones being dismissal, removal or reduction in rank and the minor ones being censure, fine, or withholding of the increment. On prima facie evidence regarding misconduct, departmental inquiries

are made and if sufficient evidence is available, charges are framed and suitable penalties are inflicted.

If a public servant is found by any court of law to have been guilty of committing a crime, he exposes himself to departmental punishment, also in addition to the penalty inflicted by the court.

The public servant is expected not only not to indulge in misconduct but is also expected to maintain high standards of conduct and efficiency and zeal in discharging public service. The public servant is expected to be on duty 24 hours a day though this attachment to duty is not the norm and only in times of emergency, the public servant is called upon to work round the clock. But absolute devotion to duty is what is expected of the public servant. He is to give his very best and do maximum he can rather than the minimum.

The public servant in-charge of law and order, viz., the police and the magistracy are often required to resort to force in order to prevent disturbance to public peace and tranquility. However, often judicial inquiries are held and public servants may expose themselves to punishment for excessive use of force. Such situations place the public servants on the hover of moral and ethical dilemma.

Public servants are expected to follow rules and regulations in discharging their duties. However, there are bound to be occasions where discretion is to be exercised, no matter how extensive the rules are. However, the use of discretion has to be bona-fide rather than mala fide. In mala fide cases of use of discretion motivated by desire for corrupt private gains rather than furthering the public purpose, the public servants is liable to be punished if the case for punishment is established on the basis of a departmental inquiry.

The public servant is expected to act without fear or favour in tendering advice to ministers or discharging any other public duties attached to his office involving decision-making. They are expected to be governed only by a disinterested pursuit of public interest. However, the public servants are often anxious to butter their bread and bend backwards and take decisions to please the powers that be.

The training of public servants often lays more emphasis on legal and procedural and nowadays on managerial aspects rather than on the ethical aspects. However, since the ethical aspects are often more important, training is necessary regarding the ethical aspects of public administration. However, it is often questioned whether ethical standards could be raised through training. Ethical conduct is the consequence of the upbringing and the traditions of the family and the society to which the public servant belongs.

The private citizen can prosecute the public servant in court of law. However, in India, the permission of the relevant authority is

needed for prosecution in the court of law. In a recent case, the court held that ex-chief minister against whom a private citizen had instituted a case of corruption, could not be prosecuted without the necessary permission, not only from the governor, as the head of the state but also from the legislative assembly of which he was a member.

# Bureaucracy and Accountability

J. D. Sethi

SOME TIME ago a reviewer in *ECONOMIST* wrote: "Social scientists should address themselves directly to questions of social importance instead of, as so often happens, to the writings of other social scientists." This advice is equally relevant to writers on bureaucracy and also to bureaucrats. In fact, writings on bureaucracy have gone too far off from reality and tasks to be performed. Most traditionally accepted theories of all disciplines are now being questioned and paddlers of theories on bureaucracy are as much in the dock as all others. A second look at old theories has become all the more urgent because bureaucracy, despite its many interne-cine conflicts of hierarchy, behaves like an autonomous class, which is accountable to no one in particular. Mark the word class as distinguished from individual or groups of bureaucrats. Marxists have not yet reached anywhere nor recognise bureaucracy as a class but most other schools do, though definition still remains nebulous. The reality or consciousness of the class character of bureaucracy comes out sharply in seminars and discussions when bureaucrats speak for their class and sometimes assume an aura of superiority by which they tend to indict others of irresponsibility, intellectual vacuity and unnecessary interference in the work of the bureaucracy. Politicians are denounced as professional demolishers of bureaucracy. This may or may not be true but mutual accusations have become our daily intellectual diet.

If bureaucrats are not very wrong, others accusing them in turn are not very wrong either. The entire Indian power elite has become cynical and corrupt and are accountable to none. The politicians, the business, the bureaucrats, the intellectuals, the media men, i.e., both the governing and non-governing elites, are all hurting the society, though sometimes they even hurt one another also.

But there are apparent asymmetries in these relationships. The asymmetries exist because the suggested sequences are phoney. Nevertheless, what about others? Politicians are accountable to the people, bureaucrats to the politicians or other bureaucrats and the rest to none. Who are the business people accountable to? To none,

certainly not to the shareholders these days. If a university teacher refuses to teach or a journalist does a bad story, a worker shirks work, none is punished. However, even this asymmetry is a half-truth. A demoralised, perverse or frightened group of bureaucrats not merely flout accountability but may even destroy the very programme to which some accountability is attached. Politicians, who sit on the heads of the bureaucracy, do not appreciate this problem.

There is no clear cut accountability theory of bureaucracy but there are several overt or covert hypotheses approximating to accountability. Right at the outset, one faces the problem of several rather old and unverified theories which have to be pushed aside before something serious and sensible can be said about bureaucratic accountability. I shall take three of them to make my point.

## II

First of all, is the barren debate about the class theories of bureaucracy. Discussion of some aspects of it is inescapable. Marx put bureaucracy into the superstructure and hence dismissed himself out of a serious debate. However, the structuralist neo-Marxists do recognise the full autonomous role of bureaucracy but so long as the debate among the Marxists remains unsettled, there is no point in wasting time on it.

Similarly, although Weber and others had theories of bureaucracy that became the stuff of every text book, their models have turned out to be too rational and too neat for any living bureaucracy to conform.

I cannot resist the temptation of referring to Leon Trotsky. His central thesis was that the October Revolution was betrayed not only by Stalin but also by a stream of self-seeking bureaucrats who succeeded in destroying the proletariat vanguard. The malaise ultimately affected the revolutionary leadership, causing their internal degeneration. For him bureaucracy was a 'social phenomenon' whose beneficiaries were not randomly distributed. They formed a fairly stable social grouping, one of which supplemented the party — the bureaucratic class was a malign tendency, a rapacious clique. In 1934, he warned against bureaucracy — party, military and administration monopolising power and becoming accountable to none, not even to itself because it is not internally united. Whereas Marx saw the complete elimination of bureaucracy, Stalin replaced every other force by it.



## III

These aforementioned theories do not exhaust our difficulties. They were mentioned only to highlight the unnecessary burden we are obliged to carry in our analysis. However, there are numerous other hypotheses which too have to be demystified because they blur clear thinking on the subject of accountability. First, there is a purely constitutional approach according to which accountability has been appropriately divided among different branches of the Government of India. Three types of accountability are distinguished: (1) parliamentary; (2) financial, and (3) judicial.

The political executive is accountable to parliament in all matters, the latter representing the will of the people. This is not entirely true, in fact it is a big myth. In democracies, like U.K. and U.S.A., which have a built-in mechanism of smooth change of government, parliamentary accountability assumes significance. But even there too, the party structure and its discipline are quite strict and rigid and give executive far more power than can be sanctioned by any principle of exact accountability to parliament. In India, the power has been so decisively shifted towards the political executive and the ruling party members have become so much subservient to the former that parliamentary accountability has become, quite ironically, the function and responsibility of the opposition. This is not a healthy situation because a divided and numerically very small opposition cannot effectively perform that function.

To talk of financial accountability, except in a formal sense, amounts to indulging in bad logic. Of course, the budget has to be passed by parliament and auditor and comptroller general has to look into irregularities. But all this has become a formality. During 1983-84 budget debate, demands for grants were discussed only in respect of thirteen per cent of the total. The debate on the rest was guillotined. Take another aspect. Out of lakhs of irregularities committed by the government, the comptroller general refers to parliament only a few thousands. Yet the stark fact is that the public accounts committee does not and cannot possibly go into more than 30 or 40 cases in a year. The less said about the committee on public undertakings the better. If the Indian economy ever collapses, it will be under the weight of corruption, wastefulness and unaccountability about the public sector and the government expenditure which now in gross terms is almost equal to the GNP and in net terms about one-third of it.

What about judicial accountability? In the last few years, judiciary has faced three threats: (a) repeated attempts of

interference and manipulation by the political executive; (b) intra-judicial controversies, and (c) piling up of millions of cases in all kinds of courts. Ordinary citizens no longer hope to get either the protection of the law or the justice from the court.

Second, belief has persisted for a long time that economic factors and policies influencing public sector are quite different from those that determine market behaviour. This distinction has led to gross irresponsibility and mismanagement and policy distortions of the public sector. It is easy to cite reasons why public welfare requires a different approach. But it is never proved how that approach in practice will be different. Different procedures and norms are adopted, not for well defined objectives but often for acquiring bureaucratic or political power. Because economic laws do not permit violation, a healthy society applies one and only one set of fundamental principles and norms to all. If intervention is needed for changing the distribution or relative prices or distribution of public goods and services, that intervention comes after those norms and principles had been given a free play. Therefore, for bureaucracy to remain efficient, both the public and private sectors must be subjected to common principles and policies and then modified later to get changed results by adding or subtracting from them. This was not the method adopted in India. The Indian ruling elites pursued an arbitrary set of policies in the name of achieving differential social results and gave this job to the bureaucracy without bothering about ensuring accountability. It was not realised that the bureaucracy with so much power bestowed upon it may be tempted to go against establishing a workable system of accountability.

The third is a rather implicit theory. According to this theory, public sector or administration is concerned only with the supply and not the demand side. The supply theory reduces the administration to relation between superiors and subordinates. Since practically every one is superior to someone else and subordinate to still others, accountability is reduced to constructing a supply spectrum. Even when the elected political representatives are brought into the picture, such as parliament, accountability to it lies largely on the supply side. The ordinary citizen, affected by public administration and situated on the demand side, is often treated with indifference, cynicism and even contempt. For genuine accountability, both supply and demand relations have to be integrated.

If the links between supply and demand are established not through a well-organised bureaucracy but by political parties, whose function is to articulate the demand side, the system may end up in the kind of situation that is obtaining in India. Normally,

bureaucracy as a component in the structure of power is supposed to perform a mediatory role between other components. That is why sometimes bureaucracy is wrongly defined as neutral. In India, the mediatory role has been taken over by the politicians. It is they who mediate between the citizens and the bureaucrats which make the latter behave quite indifferently.

The danger from the supply-only approach is that bureaucrats start developing their own goals and objectives which may or may not conform to those of the users. Moreover, bureaucrats develop such vested interests as increasingly alienate them from the rest and thereby distance them from accountability both to the public as well as to their political masters. Irresponsibility grows further if the subordinates disobey or sabotage the decisions of their superiors or if an honest officer who believes in accountability on the supply side is harassed and hounded out. Finally, if politicians join bureaucrats in this game, all modes of accountability can be eroded and even hell let loose on the system. Without double accountability being ensured, accountability on the so-called supply side is unlikely to survive.

Fourth, we have the most debated theory of neutrality. In theory, neutral bureaucracy satisfies the principle of accountability. But in practice, things happen differently. These days no one seriously believes that any bureaucracy is neutral even if neutrality is considered desirable. But neutrality in practice does and should mean that bureaucracies did not deviate too much from the centre towards the extreme of political commitments. In this way, they will satisfy accountability. Movements within limits around the centre may ensure optimal neutrality and commitment as well as accountability but one thing does not follow from the other.

Fifth, we have the much abused concept of development administration. Bureaucracy has arrogated to itself a role which does not belong to it. Development is a joint venture of all components constituting the system and so no component can bifurcate its functions between development and non-development. The concept of development administration has also done great damage in creating unbridgeable gulf between the professionals and civil servants.

Truly, both the theories of neutrality and development administration have been used for shifting the balance in favour of the bureaucracy as against other components of the governing and non-governing elite. Apparently, there is no contradiction between the two but a moment's reflection will show that there can be no neutrality in the context of the second. The whole objective of the welfare state is to intervene and discriminate in favour of some classes against the others. However, once bureaucracy gets this

power of discrimination, it develops its own vested interests. The big government, no matter whatever the objectives, means the end of neutrality and promotes the spoils system. The Soviet Union and other communist countries are a limiting case of this theory. That is why the Soviet bureaucracy, whether civil or military, dominates all decision-making.

The Indian case is very serious. Big government with many a means of production nationalised is quite different from a big government under market system. This arrangement is called mixed economy. The crisis of our system emanates from the fact that the government has been attempting to do too much for its capacities and integrity. Social scientists and others have raised this question but the bureaucrats dizzy with self-proliferation enormously enjoy the expansion of governmental functions. Is it surprising that the last decade has seen the decline both of our growth rate and the quality of administration, but with no end to the proliferation of bureaucracy? Some people as a class have developed vested interests in big government without caring for costs or benefits. A self-proliferating bureaucracy can easily become increasingly insensitive, unaccountable and arrogant. If along with new roles and functions, the old redundant ones are not curtailed, bureaucracy becomes a jungle. This is a plea not for a return to market mechanism but for rational partnership, dualism and mutual accountability.

The biggest failure of the so-called development administration has been its inability to reduce or remove non-development ethos and interests produced by various competing interests. Bureaucracy was given the crucial role of maintaining the structural stability of the system as development brought tensions and conflicts in its wake. Instead, it has attempted to profit from conflicts and thus threw overboard its own functions. A dysfunctional bureaucracy is bound to become irresponsible.

We can provide thousands of examples of Parkinsonian bureaucrats; bungling, inefficient, serving their own interests, etc. These may be jolly good fellows, who do not mind administration going into any direction so long as they can get a chance to bungle. If these bureaucrats have no higher or base motives or objectives, they are truly neutral and also neutral between accountability and irresponsibility.

Sixth, claim is laid upon the possibility of delimiting the scope of accountability of every representative or employee of the state by the process of legislation or delegation of power. This is most perverse theory. The spate of legislations and expansion of government's regulatory powers and widespread anarchy in the distribution

of responsibility about decision-making have totally swamped accountability. As the government expands, pin-pointing accountability becomes impossible. The same happens if the so-called generalists assume superiority over specialists.

Probably the only relevant theory of accountability is the existence or creation of a balance of power and responsibility between the components of the governing elite at the macro level in a manner that ensures the identification of their relations with those of the public and the nation. Politicians, senior civil servants, judicial bureaucrats and now the most powerful, the financial bureaucracy, do not seem to recognise the necessity of an internal balance among themselves. No component can honestly and efficiently function in the absence of this balance. In fact, corruption, inefficiency and above all lack of mutual trust are the direct results of this imbalance.

Not only in Britain but also in India and other English-speaking nations, the television service, "yes minister", have been very popular. The losing battle of the minister, Jim Hacker, against the deviousness of Sir Humphrey Appleby and the bureaucratic machine led by him reveal how bureaucracy can undermine not only accountability but also political obligation of the political elite. If this can happen in a system with balanced power system, one can imagine the situation when power structure is fatally unbalanced.

However, macro power balance is a necessary though not a sufficient condition for achieving bureaucratic accountability. Indeed, the problem is that none of the aforementioned theories, whether general or specific, automatically yield principles, norms and organisational structure of bureaucracy for it to perform its assigned roles efficiently and with clear accountability. In each case, specificity overtakes generalised theory. Nevertheless, the problems have not altogether changed from place to place. Therefore, the central issue is what makes bureaucracies more or less accountable under different social and economic arrangements.

#### IV

No social scientist writing about the development of bureaucracy can rely on the construction, no matter how adequate, of a set of universal concepts for describing the nature of bureaucratic systems. The exercise will surely fail when the subject deals with bureaucratic accountability.

It also serves no purpose to take monolithic view of bureaucracy or believe in homogenous structure and process, and its cultural and behaviour. The term bureaucracy is better known than administrative

elite which suggest internal and organisational differentiations. But we still do not go into these questions as vigorously as we need to. I will also skip this question because it requires a separate analysis.

Not only bureaucracy but every component of the power structure is organised as a hierarchy as well as a structure in which interactions between individuals are governed by authority which is also formed as hierarchy. So the degree and force of accountability will depend upon the integrity, honesty and efficiency of the highest authority. And this highest authority consists of the political elite or executive and the seniormost bureaucrats. In one sense, the two are quite different; in another they form a group, a sort of united front. This latter front can produce a self-contained and self-sustaining arrangement or a model which has not been made a subject of serious study. Any conflict or conspiracy between these two can undermine efficiency as well as accountability. This is borne out in a large measure by the Indian experience. The general decline in accountability in Indian administration can be traced to decline in integrity and efficiency of the elected political power elite who coalesce with the senior bureaucrats at the appropriate level in power hierarchy. The two cooperate with one another, remain in conflict, corrupt themselves one way or another and then influence the lives of the millions.

The important point to remember is that the opposite of accountability is not merely the absence of it. The opposite of accountability is conspiracy. There can be no vacuum in decision-making. This aspect is often ignored in analysis even though on the ground that the reality is nearer to conspiracy, wherever accountability has been eroded. The contemporary situation in India conforms to this. Some bureaucrats may gain from this conspiracy but as a class they stand to lose and earn the contempt of the citizens.

If the Indian bureaucracy feels it is being pushed around or has become unaccountable it is partly because of the conspiratorial imbalance in the power structure somewhere. For instance, an essential principle of accountability is the respect for the ballot box. Bureaucracy can be neutral in one very crucial sense, namely, that it must guarantee political equality for the parties competing for power. The experience of India and other developing democracies is that a party in power is bound to waste or even misuse resources near the elections to tilt the balance in its favour. If bureaucracy becomes a willing tool of this kind of manipulation, it can corrupt itself and indeed the whole system. We know how civil servants become instruments in the hands of politicians. What is shaping in the form of bureaucratic interference in order to help

this or that candidate through subtle and not so subtle methods, as booth-capturing, etc., can ultimately lead to the dismantling of democracy and utter humiliation of bureaucracy itself. Those bureaucrats who become pawns in this game destroy the whole accountability system and ultimately lose their independence to musclemen and groups among the politicians.

Accountability becomes a victim if some elements of bureaucracy arrogate to themselves the role of the entire elite by accepting or legitimising authoritarian methods in the name of defending national interests. This is a very short-sighted view of power. In the long run, despite the impressions to the contrary, bureaucracy as a class never gains from authoritarian system. Briefly, if bureaucrats are not accountable to the citizens, they do destroy accountability everywhere, their own and that of others.

Bureaucrats can ensure accountability to the political system in many different ways in which we need not go here. But let me give examples. For instance, if they share information as much as possible with those who need it or are entitled to it, the system as a whole becomes more efficient and responsive. The Indian bureaucrat has tremendous faith in secrecy as if it is his main defence mechanism. Modern business houses have realised that enterprises become more efficient if they share information with workers and technicians. But the Indian bureaucrats have developed a habit of withholding information even when it is absolutely unnecessary. Thousands of files marked secret contain no secret at all.

No system can effectively function if there is no trust among the operators or functionaries as market hierarchies. A market mechanism can never work if it is subjected to large scale cheating and corruption. By and large, market operators trust one another in following the rules of the game. But market mechanism is not always a positive sum-games; it can be negative also and thus it is dangerous to apply it to bureaucracy fundamentally. Paradoxically the Indian bureaucracy behaves like market system but without its rules of the game. There is no trust left in the administration.

What is the answer to this menace? The search for the answer has led to the conclusion that the game of power be played like a chess game. It is the only game in which there can be no cheating as the rules of the game are well defined and remain unalterable by the players once they go into play. Bureaucrats seldom realise that they must insist upon the principles of the chess when dealing with other components of power in order to protect the system and indeed finally to protect themselves.

Similarly, the normally accepted models of policy making such as rational models or incremental models are hopelessly out of date and yet they are still in circulation. What is required is not merely a rational but a rationing principle of bureaucracy. Rationality is difficult to define; much less to practise. So is rationing, but equality before law, to be administered by bureaucracy, demands that everybody must be treated equally and this is possible under least bureaucratic rights of discretion. Nothing makes bureaucrats more irresponsible than their right to discriminate between any two recipients, particularly if this mediation is arbitrary and repeated too often.

Therefore, bureaucracy, no matter what others do, has to evolve a code of ethics for its various functions as public administrators. This they have to do if only from a purely narrow angle of their own interests. Otherwise, bureaucrats are likely to be made scapegoats by other components of the power elites who enjoy political and money power. Alternatively, bureaucrats may join others in the game of passing the buck but in the long run they lose.

The true guarantee of accountability lies in written norms and procedures and strict adherence to them through self-discipline as well as external constraints. When there are shortages of resources and vastly increased pressures for new outputs the primary accountability of the bureaucrats is that they should strictly stick to well defined objectives and roles handed down to them. Obviously, the bureaucrats can succeed and deliver goods more efficiently and suitably if they internalise accountability and also accept some external norms. The British and French bureaucracies rely largely on the first. But in societies like India, in which bureaucracy is proliferating at a faster rate than the economic goods, the second is of greater importance. Those for whom policies are aimed at must be allowed some degree of participation and power to check and scrutinise.

Accountability of bureaucracy is a function also of its organisational strength and capability. We know examples of hidden in-groups among senior bureaucrats set up in order to protect them from the ravages of corrupt and interfering ministers. However, by yielding to this method they leave the rest of the ninety-nine per cent of civil servants exposed to all kinds of pressures. Civil servants must be fully organised in associations, falling just short of politically oriented trade unionism, in order to protect themselves. A politically organised bureaucracy can twist the system in its own favour as part of the struggle with the other components of the power structure. But as a well-structured organisation, it can provide an internal check on bureaucrats entering in deals with



politicians and business. Bureaucrats share real power with business and politicians and what one has to worry about is the perversity of the equilibrium of power structure. No one component should get too much power against the others.

Indeed, structural self-regulation and self-control are the two essential principles to build a system of bureaucratic accountability. In fact, no class or group can be held responsible if it does not feel obliged to some kind of self-correction and self-control. Bureaucracy like any other class has to be accountable to itself, not merely in terms of superior-subordinate relation but also in terms of values and norms of the class as a whole. One does not have to go so far with Bentley to say "when the groups are adequately stated, everything is stated". But our situation is not very far from this assertion in its perversity, for we know from our experience how a class can turn into a caste. We also know how the Indian bureaucrats at various levels act as a bad caste. The implication is that caste formation marks a low degree of accountability.

More efficient and accountable bureaucracies rest on trust between the superior and the subordinate. This trust is possible if: (a) the former believes that the latter will faithfully carry out things he has promised to do; (b) the latter believes that the former is motivated by the right objectives; (c) the two together do not join in a conspiracy to defraud the government and the citizens; and (d) when mistakes are committed there is always some way or mechanism of correcting them and some disincentives will be there to stop their recurrence.

In India, the upper levels of Indian bureaucracy exercise power in all the important, social and cultural areas of Indian societies. This group is deliberately so recruited, through a specially designed examination, as to share similar cultural backgrounds, style of life and set of loyalties. The classes, the governing elites, the organisational forces, etc., which articulate group consciousness and cohesiveness at the upper levels of political decision making in India have given crucial role to the bureaucracy. No wonder, bureaucracy reflects the corruption, the crisis and the unaccountability of all these classes and forces and ultimately becomes their partner.

The question sometimes asked is how come that colonial bureaucracy stuck to accountability norms, whatever those happened to be, and performed efficiently whatever task was given to them. Post-colonial bureaucracies have proved inadequate. The fundamental explanation lies in the changed socio-cultural situations. Paradoxically, the source of the present disease can be traced to the same steel framework because it succeeded in improving colonial

ethos in the whole of the post-independence bureaucracy. But more significantly, the reason lay in the new system's incapacity to bring the administration, political and other sub-systems into a balanced situation and also to build up an internal balance within the bureaucracy itself. Ethnic factors have also played these roles. Political elites have tried to use one against the other, thus giving serious blows to the respective accountability principle.

The biggest indictment of Indian bureaucracy comes from the miserable performance and total violation of objectives by the public sector. Whether it is inter-or intra-bureaucratic feuds, political interference, uncertain conditions of service, professionals demoralisation, etc., the nation is getting a raw deal for investments of nearly thirty thousand crores of rupees. There is no accountability whatsoever for anyone. At the going rate, public sector can eat up all the capital by the end of the century. It is being saved by the government indiscriminately increasing the administrative prices.

Accountability in the public sector implies several things: (1) ensuring value for money or in other words productivity; (2) specific responsibility for the quantity and quality of goods and services produced; (3) upgradation through efficiency; (4) professional integrity; and (5) up-the-line responsibility. There are bound to be strong tensions in this mix of expectations but either these tasks must be reduced or the bureaucracy prepared for the tasks. There is no other escape route.

The Indian bureaucracy has arrogated to itself a larger role in development when planning began. But planned development has flopped and yet the bureaucracy has refused to be held accountable. Of course, both claims were false but, be that as it may, accountability has become a casualty. The other paradigm that the role and functions of bureaucracy vary directly with economic backwardness, scarcity and social dislocation and inversely with equality and affluence has also turned out to be an even bigger myth.

In the past, when the governments were small and systems were simple, policy-making was quite distinct from implementation. This is no longer so. It is a myth that political masters make policies and bureaucrats implement them. The two merge into one another right from inception. Bureaucrats must feel responsible for policies as well as for implementation. By doing so and consciously pursuing this method, they can check the malpractices of the politicians and their penchant for manipulating policies.

A system dominated by big government must have a very efficient and an alert evaluating and monitoring machinery. In the absence of

proper evaluation of policies, programmes, implementation, etc., it becomes difficult to pin down anyone for any mistake or mishap or reward those who serve the system best. In fact, no accountability of any class of power holders is possible without a well structured evaluation and monitoring system. If an evaluating system were to come into force in real sense, the bureaucrats may find to their surprise that a lot of their headaches and pressures exerted against them may disappear and they may come to see in accountability their real defence against others as well as against their own tendency to mess up issues and policies.

To stop a bureaucrat from undermining his own role, participation of the relevant group has become absolutely necessary. More importantly, if a bureaucrat wants to resist pressures and violation of norms by his seniors, this participation can truly give him power to resist. Therefore, it seems that the accountability of the bureaucracy stands in direct proportion to the participation of the recipients of the policy-ends.

But what do we mean by participation? We have in India the practice of political leaders mediating on behalf of their constituents. That system has degenerated into total corruption. In fact, people get pretty little; whole hierarchies of inter-mediaries and political parasites have developed to defraud the people and bring bureaucracy into disrepute. Genuine participation is possible only through the agency of non-political voluntary bodies. In fact, in modern states, the institutions of civil society have become as important as the organs of the state. Our social scientists have not even begun a debate on this issue.

As mentioned earlier, bureaucracy has abdicated its true mediatory role in favour of the politicians. Instead, it has either deliberately taken up or pushed into assuming the role of brokers acting between the politicians and big business houses, thus making their own contribution to creating an entirely novel system of legitimising corruption. Corruption and accountability do not go together. The licence-permit Raj and now the system of kickbacks in all major deals have further pushed the bureaucrats into the mire of corruption. If the power structure has become discredited, it is partly because of the misplaced and misdirected mediatory roles of the bureaucracy. Bureaucracy has now become the biggest barrier in the way of the emergence of any participatory model.

Not only India, but all democratic societies, including developed industrial societies, are passing through some kind of bureaucratic crisis. The quick changes, whether resulting from drift or from failure to stall them by vested interests have generated numerous imbalances in the traditional relationship of bureaucracy with the

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other components of the power elite, pushing everyone to become more self-centred and self-aggrandizing. There is a total lack of new organising principles to guide the restructuring of relationships. The problem is not so much of paucity of resources as of absence of leverages, trust, and accountability.

# Accountability in Training of Administrators

A. P. Saxena

WITH INCREASING complexity in the scope and content of administration, it is only proper that training of administrators is being accorded wide importance and recognition. In fact, of late there has been significant enlargement of the training infrastructure — even proliferation, enhancement of financial outlays and consequential numerical increase in the number of training opportunities available to administrators. It is thus appropriate that the issue of accountability in training of administrators is looked into as part of the wider subject of accountability in administration. The purpose of this paper is to examine the concept, the criteria and the range of accountability in training of administrators.

## THE CONCEPT

Training for administrators is widely recognised as an intervention leading to enhanced knowledge, proper skills and changed attitudes. It is believed that a new configuration of knowledge, skills and attitudes will provide the needed stimulus to initiate impulses of change in the administrative apparatus generally, and administrators in particular. To enlarge the concept in a more practical sense, it can be argued that training should lead to improved efficiency, productivity and administrative performance. This operational profile of training is the input expected from trainers and training institutions as far as training of administrators is concerned. Training cannot be for the sake of training, to legitimise itself, it has to relate to the performance aspect in administration.

In this context accountability is to be visualised as an in-built component of training since the different parties involved in training of administrators have a place and a role in the calculus of accountability. Primarily, the parties to training are at two discreet levels: (i) the level of 'imparting' training which includes trainers and training institutions; (ii) the level of 'recipients' in training which includes individual participants and

sponsoring organisations. In this framework the individual trainees are at a disaggregate plane whereas the sponsoring organisations (government departments/agencies) are at the aggregate plane.

This categorisation clarifies to an extent the accountability relationships in the training of administrators. It will be seen that there is accountability of trainers and training institutions, at the imparting level, towards individuals and sponsoring organisations. Thus, those concerned with imparting training have accountability to the direct and indirect recipients of training, i.e., the individual functionary, the participants -- the trainees and the organisations sponsoring the administrators. In this background the directions and dimensions of accountability in training embrace the entire administrative community, thus, further accentuating the need to probe accountability.

It can also be argued that trainees and sponsoring organisations at the recipient level have significant mutual accountability. The trainees owe it to themselves and the administrative system to make conscious, diligent efforts to learn and assimilate the training inputs to advantage. They should approach training seriously and be ever alert to pick up concepts and techniques for application in the post-training situation. By the same token, the sponsoring organisations have an accountability to facilitate the acceptance and introduction of changes suggested by returning trainees. Often organisations perceive nominating functionaries for training programmes as an unavoidable ritual to keep pace with the pressure for nominations. Their interest, whatever its nature and degree, more or less ceases once participants report back after training.

This pattern of relationships suggests accountability in training of administrators as a positive concept which has no audit connotation. In this framework, accountability has no objective to fix responsibility and establish scapegoats in the process of training. If at all, the concern is to ensure a stream of purposeful training, germane to the job and tasks of administrators. This concern, it is expected, will provide a realisation that impartment of training is, in fact, a process of trust which, however, cannot be used as a cover to transmit anything and everything irrespective of its acceptability or validity to the recipients. This can happen, and in fact does happen, because the 'imparting' level does not always comprehend the 'recipient' level, except as an abstract, absent party in the design and conduct of training. As a positive concept, accountability can ensure that training of administrators is directed to the operational need of administrators and not addressed to unreal issues and theoretical biases.

### CRITERIA OF ACCOUNTABILITY

Against this conceptual background it is necessary to isolate a few workable criteria for accountability. This is to clarify and even pin-point the ingredients so that the parties to training of administrators can relate the issues to training. For purposes of this paper, three broad criteria are suggested.

#### Training Inputs

The stream of training inputs cover a wide repertoire of interventions to modify a participant's profile in terms of the more common attributes of knowledge, skills and attitudes. Yet due to several reasons, primarily relating to the trainer and training institution, the inputs get diffused and miss the very purpose and logic of training. A few illustrative features to meet the criteria of accountability are noted below:

- (a) The training inputs should reflect a design in pursuit of precise training objectives. A training objective is considered as a statement that describes the intended outcome of training.<sup>1</sup> General, vague, all encompassing objectives cannot lead to any viable, operational design. The design should be clear, amenable and feasible.
- (b) There should be 'variety' in inputs in the form and content of instruction. An instructional mix relying on use of different methodologies<sup>2</sup> will alone sustain and support the learning interest and concern of the trainees.
- (c) The inputs should convey overall harmony arising out of a balance in design and variety. Variety beyond a point may not blend into a design with the result that the inputs will lose focus. The concern for harmony will emphasise a logic based on a flow of sequential inputs.
- (d) The scheme of inputs should be 'need' based and, to the extent possible, display the 'felt' needs of trainees. This calls for formal exercises for identification of training needs. Here a training need is defined with respect to training needed to improve the performance of an individual's present job or to prepare him for future work assignments. The needs are those of the recipients and not necessarily as may be perceived in isolation by the trainer and the training institution.
- (e) The inputs have to meet the test of 'relevance' specifically with reference to context and applicability. The context of inputs has to be related to the user and his environment,

taking due note of its strength as well as weaknesses. Borrowed inputs from external sources do not always match with the context, and consequently disturb the scheme of training. Similarly, applicability of training should be visible and acceptable to the trainees. Inputs alluding to hypothetical situations do not mesh with the local context and dispel possibility of application leading to loss of relevance.

In the interest of accountability it has to be ensured that the scheme of inputs for training of administrators reflects the above key characteristics.

#### Resource Inputs

A stream or continuing inputs -- physical as well as financial are needed to support and sustain training. Frequently, the scale of resources is not appreciated since rigorous computation of training costs is rarely attempted. Two aspects appear relevant to the criteria of accountability:

- (a) Physical resources for training of administrators have of late been rising significantly. The current stress on more and more training has lead to substantial investment in infrastructure and development of training facilities. There is thus need for optimal as well as purposeful utilisation of investment in physical resources by generating appropriate training inputs.
- (b) Financial resources are continually needed to conduct, training. With rising costs, training is becoming an increasingly expensive activity. After considering the fixed as well as the variable programme costs, average training costs computed per participant or per programme-week are no longer insignificant.

Cumulatively physical and financial resources emerge as a strong factor of accountability, for justifying the scale of on-going outlays on training. In an environment of rapid development and expansion, this is inevitable but at the same time the alternative options, the opportunity costs and the burden on the community cannot be ignored in a discussion of accountability. The scale of training costs directly borne by the state extends the notion of accountability to parties at the 'imparting' as well as the 'recipient' levels.

Here two additional points need a mention. Firstly, any



allocation for training by definition implies discarding alternative options. It cannot be ignored that funds for training can as well be used alternatively to meet other competing government demands including development expenditure. Allocations thus can no longer be claimed as a matter of right but have to be justified as a stronger claim vis-a-vis other expenditure proposals. Secondly, while the private, individual cost of training to a participant is negligible or nil as most of the sponsored programmes are non-priced, the social cost of training for administrators, i.e., the cost to be borne by the community at large is very high. Why then allocate resources for training in preference to other claims in a resource — scarce developing country? In other words, why should administrators be given a preferential priority, more so when their overall contribution to development and citizen satisfaction is not always happily perceived. Expanding bureaucracies are already being perceived as a burden in developing countries and it is an open issue how far substantial increases in this burden due to additional training resources will be left unnoticed or unquestioned.

#### Participant Inputs

Participation in a programme of training involves commitment of a discreet chunk of time for which participants are paid while being off-work. Thus there is visible, measurable cost incurred in terms of participant's absence from work during training. Apart from this the participants also contribute other inputs — tangible as well as intangible — which have to be accounted for during the training period. Broadly, the contribution could be the effort made for achievement of training objectives or in the subsequent situation of post-training utilisation:

- (a) Training objectives are closely dependent on participant inputs. A scheme of objectives may result in a programme design which may or may not enthruse a participant, thus influencing the scale and intensity of inputs. At the same time the extent of participant inputs may well determine the achievement of training objectives since in any training situation even modest training objectives can collapse for want of participant inputs. Thus the scale and nature of participant inputs has tangible as well as intangible implications for achievement of training objectives, leading in consequence to accountability considerations.
- (b) Post-training utilisation is yet another aspect of participant inputs raising questions of accountability. It is quite probable that a participant may provide the desired inputs

and involve himself fully in pursuit of training objective. He may equally pick up a concept or technique which he feels has applicative relevance for improving his own job performance or even organisational performance. However, in the post-training situation, the returning trainee's effort may be thwarted by the superior-subordinate-peer linkages, or the organisation's ethos and inbuilt responses to change. The individual may even be shifted to another job, where the newly acquired training may be per se inapplicable. This brief profile of post-training possibilities highlights the grey areas of accountability, where pin-pointing is difficult but the relationships as well as the consequences are clearly in evidence.

#### RANGE OF ACCOUNTABILITY

Let us see how far accountability extends over a range involving the unit as well as the aggregate level of training. At the unit level of training, i.e., a training programme, three distinct phases can be identified: need and objectives, design and conduct followed by evaluation and follow-up. Each of these is crucial to relevant and useful training. Viewed as a whole the three phases constitute a training process often described as an action process. If training is an intentional act of providing means for learning to take place, it can also be visualised as an action process by which capabilities of the trainees can be improved to meet the organisational needs in terms of knowledge, skills and attitudes required in performing organisation's functions and tasks within relatively short period of time. Since it is an act of providing a means for learning to take place, the act is in effect a series of sequential steps. This is important to note because training does not begin and end, and training as a process has built-in measures which can help it to regulate itself.<sup>3</sup> A conceptual understanding and constructive implementation of the three phases provides the basis leading to training at the aggregate level which again can be visualised in three stages: pre-training, during-training and post-training.

For different parties to training at the 'imparting', level, or the 'recipient' level, each stage is of equal importance, inasmuch as inadequate attention to any stage will disrupt the learning content. For example, for a participant the three phases of training should stimulate specific responses as far as learning is concerned. In the pre-training phase, the participant should feel 'need' for learning, during training phase, he should feel

'relevance' of learning and finally in the post-training phase the participant should be concerned with the 'application' of learning. By the same logic, the sponsoring organisations should, corresponding to the three phases, reflect 'eagerness' for training, 'need' for training and 'usefulness' of training. Comparable co-relations can also be suggested for the trainer as well as the training institutions. For, it is they that are responsible for operationalising the different phases emphasising a broad continuum of training.

It can thus be seen that accountability encompasses, as an in-built component of training, all phases in the training process. This would involve the different parties and bring them close to operational concerns for accountability. A narrow perspective of accountability gets enlarged after an appreciation of the range outlined above. In fact, the ratio of accountability vis-a-vis the 'impacting' level (trainer and the training institutions) and the 'recipient' level (trainees and sponsoring departments) will get clarified and it may even be possible to establish positive remedial steps for improving the flow and content of the training process. It will thus be useful if all concerned with the design, operation and follow-up of the training process<sup>4</sup> become aware of the wide range of accountability in training of administrators and look for their specific roles and tasks in achieving the overall goals of training.

Several parties in training are spread over the range of accountability outlined above. In this diffusion and unavoidable overlapping it is not easy to pin-point a party with a primacy of role even though every role in achieving accountability is unique. However, since accountability exists over a wide range, some at the 'impacting' or the 'recipient' level may have a relatively more central and demanding role vis-a-vis the others. Viewed in this context the ratio of accountability seems tilted toward the trainer and the training institution — the trainer in particular who has to design and conduct training for administrators in the emerging ethos of rising public aspirations and the compulsions of development.

Training of administrators in the foreseeable future has to have a much wider scope: training to do one's present job better, training to take another existing job and training for jobs and functions not yet in existence. The trainer has to devise training for administrators which will not merely aim at preparation for doing existing jobs better but well equip them to change and grow with the pace of changes ahead. The emphasis will be on change and learning for future tasks. The trainer has to become the facilitator of learning for individuals as well as a facilitator of

learning or consultant to the organisation, to assist administrators to integrate the training function in their roles and thus help in making the work place itself a learning environment characterised by participative learning. Then alone will training of administrators become a synergic process in which the administrator improves his ability to make an effective contribution to the organisations' goals thereby making an enduring impact on its output.

The trainer, it now emerges, has a primacy of role, only next to the training institution which provides the forum and serves as a formal vehicle for imparting training. However, it is not clear, if in the perception of trainers, accountability in training of administrators has a priority. There seems to be a 'reiterative' character in training which tends to replicate or closely emulate the courses, curricula, method and materials from external sources, especially developed countries.<sup>5</sup> This approach influences the concern for accountability and in some instances may even reduce it to a limited concern for the implementation of a programme with a formal beginning and an end, even though in the process the programme ceases to be a living experience and degenerates into a disjointed collection of talks and lectures. To meet the minimum concern for accountability, trainers in cooperation with training institutions have to articulate training with concern for the felt needs and improved performance of administrators. Without being pessimistic, it is suggested that a trainer operating without due concern for his own accountability in training of administrators may well lose his credibility thereby further weakening the not too strong linkages between training and the overall national processes of development which involve the administrators.

### CONCLUSION

In the past decade or so there has been greater acceptability of training in government as well as a realisation of its potential for improving administrative performance. At the same time training has been nourished and nurtured a bit too long under a somewhat protectionist support from government. It has been pursued and practised more on the basis of trust, faith and goodwill. In this ethos, questions of accountability, especially those involving trainers and training institutions are misunderstood, resisted, even brushed aside as not so relevant. It seems as if the pace of sustained overselling of training of administrators is clouding an understanding of accountability.

It is in this context, so it seems, that our understanding of accountability has to be taken up. The discussion cannot be shunned

or wished away. It is very much a live concern which will become more eloquent with increase in training offerings and will not dissolve itself. Efforts should be made to analyse it against a set of agreed parameters, some of which have been indicated in this paper.

The issue of accountability is not due to any exaggerated academic concern or any diminishing faith in training. Instead it should be accepted as a positive concern for achieving several objectives, e.g., (a) to improve the acceptance and application base of training, (b) to generate greater resource support for training, and (c) to clarify the elusive correlation between training inputs and subsequent job performance. The need to discuss accountability in training of administrators can no longer be denied, maybe it can be delayed. If delayed too long, it will only be at the cost of training of administrators which today, more than ever before, needs to be quantitatively balanced and qualitatively consolidated.

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# Financial Accountability in Government

M. J. K. Thavaraj

ACCOUNTABILITY IS an essential feature of all forms of democratic governments. Finance provides the focus of accountability. The essence of financial accountability consists of control exercised by those who contribute to the public purse over those who wield it for public purposes. In direct democracies, the consent of the citizens to bear the burden of taxation follows their approval of the purposes and objects of public expenditure. In representative forms of government, it is the legislators who exercise financial control over the executives on behalf of the tax-payers. Theoretically, periodic elections offer the electorate opportunities to evaluate the promises and performance of the executive and of other elected representatives. In practice, however, the quality of electoral choices are constrained by the level of literacy and political consciousness of the electorate, the correlation of classes and interests which dominate political parties and influence their leadership and the extent to which political contenders could mobilise public opinion through the media of communication. The effectiveness of legislative financial control would also depend upon the ability and equipment of the elected representatives, their relationship with the executives, complexity of the content of public administration, effectiveness of the tools of legislative financial control and so on.

## FRAMEWORK OF FINANCIAL ACCOUNTABILITY

Democratic institutions evolved in western Europe and USA are the outcome of the triumph of capitalism over feudalism as well as the political theories and organisational forms associated with the emergence of capitalist economic system and social order. The basic framework of laws, political concepts, role of political parties, institutions and processes and the mode of interest articulation have been influenced by the basic interests of the ruling classes. The cabinet system of England, the presidential system of the USA and hybrids of these in western Europe typify some of the models of

capitalist institutions developed in the west. Modified versions of these 'bourgeois democratic' institutions and processes have been adopted by some of the former colonies and dependencies though correlations of class forces and their styles of operations have been somewhat different. Though the western models resemble the institutional framework of 'socialist' or 'peoples' democracies', the latter are built on the Marxian concept of 'dictatorship of the proletariat' which seeks to eliminate exploitative classes. Hence, despite formal appearances, the class basis of the state, political institutions and processes as well as the substance of accountability and the manner in which they are sought to be ensured are fundamentally different from those associated with western democratic models. Consequently, the focus of this article is on financial accountability in the western democratic models and their transplantation in the developing countries with special reference to India.

### CONCEPT OF LEGISLATIVE SUPREMACY

In a formal sense, policy-making in government is regarded as the prerogative of the legislature. In actuality, with rare exceptions, policy initiatives, proposals for legislation, have become executive responsibility. The political executives and the higher echelons of career civil service formulate policies which are subjected to legislative scrutiny and authorisation. All ordinances and executive proclamations are subject to subsequent consideration and ratification by the legislature. Legislative proposals are some time examined by select committees of the legislature before they are taken up by the whole house. The formality of legislative supremacy is clearly established in financial matters. There are two clearly identifiable stages by which financial accountability to the legislature is sought to be ensured. The first relates to the process by which estimates of the expenditure and the proposals for taxation are authorised. The second is in respect of the audited accounts of revenues and expenditure of the government.

### BUDGET AS A TOOL OF ACCOUNTABILITY

A combined statement of estimated expenditure and the means of financing is presented to the legislature in a combined format called budget or financial statement. Under the presidential system, the budget is prepared by a staff agency in the executive office of the president. The chancellor of the exchequer or finance minister is entrusted with this responsibility under the cabinet system of government. The consolidation and integration of the

details of proposed expenditure of the various executive departments and agencies of governments within the framework of macro and sectoral policies and programmes of the government is done by the budget agency. In countries like India, the planning agency is also involved in decisions relating to policies, priorities and resource allocation in respect of programmes included in the annual plans. However, insofar as budgets incorporate plan and non-plan outlays, the entire document provides the basis for legislative scrutiny and approval. Though budgets reflect the estimated outcome of tax proposals, the specific measures for taxation and tax administration are detailed in the form of a bill to be authorised separately. Similar, procedures exist under most systems of democratic government.

The scrutiny and authorisation of estimated expenditure and the tax proposals are generally undertaken by the whole house under the cabinet system. However, in the case of the US model, the congressional committees for appropriation and ways and means play an important role. Besides, the Westminster model confers larger powers to the lower house in financial matters though the upper house in the US model enjoys equal status insofar as the membership in the congressional committees is drawn from both the houses. Thirdly, while scrutiny and authorisation of expenditure precedes that of tax proposals in the British model, the business in respect of both proceed concurrently in the congressional committees in USA.

Under the parliamentary system, after general discussion on the budgets, the demand for grants of each ministry is considered and voted separately. There is also an overall time limit fixed for detailed discussion and voting of the demands. If, the voting cannot be completed by the predetermined deadline the remaining demands are voted together in one go — a practice which is called 'guillotine'. All the budget papers including the annual reports and other documents relating to particular ministries are used in the discussions on demands for grants. When the voting of demands is completed all the demands are combined and presented as appropriation bill. When voted by parliament, the appropriation act authorises the executive to incur the expenditure adumbrated in the various demands subject to the financial rules and procedures governing public expenditure.

Discussion on the tax proposals and modifications envisaged in tax laws and administrative measures, contained in the finance bill follows the appropriation act. The underlying principle is to provide the means of financing the authorised expenditure. But the discussion is largely confined to tax measures and excludes non-tax revenues, public borrowing, deficit financing and so on. When



approved, the finance bill becomes the finance act empowering the finance minister to levy and collect the taxes as authorised by the parliament. The passage of the appropriation and finance acts marks the completion of the process of legislative authorisation to incur expenditure and levy taxes. This is done at least once every financial year. This doesn't preclude the executive from presenting one or more supplementary budgets though frequency of budgets is not quite normal.

### AUDIT AS AN AID TO LEGISLATIVE CONTROL

It is true that administration could be paralysed without legislative authorisation of expenditure and taxes. But the crux of financial accountability lies in seeing that the intentions of the legislature are not flouted in reality. This is particularly important in the case of public expenditure. Authorisation of expenditure could only be a frame of reference. If a tax law is violated the affected party could move the courts of law for remedial action. But legislative vigilance is called for in respect of deviations in expenditures. The will of the legislature could be flouted through illegalities, irregularities, improprieties, wastefulness and ineffectiveness in expenditure. In the private sector accountability is focused on accounts rather than on budgets. Budgets, in private enterprises (also in public enterprises) are internal to the management. Since revenues side of business corporations involves policy assumptions about costs and prices they are not disclosed to the public -- not even to the shareholders. The attention of the owners is consequently focused on the balance sheet and profit and loss statements relating to the business year just completed. The balance sheet is designed to show how the resources entrusted to the care of the management are actually utilised. The profit and loss account reveals how effectively these resources are utilised. Together, therefore, these financial statements constitute accountability documents. As passive elements, most of the shareholders are generally ignorant about the ways of business decisions and the nuances of accounting. Hence they appoint a professional accountant of their choice to certify, on their behalf, about the truthfulness and fairness of accounts. The professional accountant is well-trained in the principles and conventions of accounting. The accountability documents along with the auditor's reports provide the basis for shareholders' assessment of the performance of management.

The practice in government in respect of budget is, however, different for an important reason, viz., the revenue raised by the

government is not by way of sale of goods and services but by tax revenues. Over the entire evolution of democratic ethos and institutions, therefore, the tax-payers and their elected representatives have asserted their right to know on what and for what purpose the money is needed before they could agree to the tax proposals. Though this is the rationale for the annuality of legislative authorisation of the government budget, audited accounts are as important in government as these are in corporate enterprises. With rare exceptions like India, maintenance of accounts is an executive responsibility. It was the suspicion that pervaded colonial administration in India rather than any genuine concern for economy that led to the combination of accounts and audit in the same hands. The separation of audit and accounts which began in the Government of India in 1976 is yet to be implemented by the state governments. Another distortion under colonial rule was that in the absence of popular governments the comptroller and auditor general of India was functioning more as an arm of remote control by the secretary of state than as 'guide, philosopher and friend' of the legislature as was the case in western democracies.

In India, audit began to function meaningfully only after independence. The effectiveness of legislative financial control largely depends on the advice and guidance which it receives from audit. If budget provides the necessary landmarks, audit reports constitute the rudder and compass without which the legislature cannot easily steer through the uncharted high seas of public accounts. The effectiveness of legislative financial control would, therefore, depend upon how skilfully these instruments are handled. This task is generally entrusted to one of the legislative committees. The committee is called public accounts committee in countries which follow the British traditions. The auditor-general or his nominee is present in the PAC to guide the course of its deliberations. In a federal set-up, like India, accountants general represent the auditor general in performing similar functions at the state level. It is interesting to note that while ministers are answerable to the legislature in the floor of the house, members of the career civil service, in their capacity as heads of departments, are required to explain matters and submit documents pertaining to matters relating to their respective departments. Civil service is thus rendered accountable to the PAC despite their proverbial anonymity. Perhaps this is because of the permanence of the civil servants as compared to the political executives. At the same time, the vulnerability of the civil service has made it necessary that an effective system of financial control should be established within the executive wing of the government.

## FINANCIAL CONTROL WITHIN THE EXECUTIVE

A system of financial control within administration essentially implies a hierarchy of responsibility embracing the entire range of executive agencies for the money collected and expenditure incurred within the overall framework of accountability to the legislature. In such hierarchical system of accountability, the central budget agency occupies a pivotal position.

Executive control could be exercised when estimates are prepared and expenditure is incurred. The heads of subordinate agencies scrutinise expenditure proposals emanating from within in terms of their need and spending capacity. This process moves upwards to the heads of departments who are expected to moderate the estimates in the light of accepted policies of the government and needs of programmes. Under the cabinet system, the central financial agency is entrusted with the responsibility of consolidating the estimates of the various departments. While discharging this function, the central budget may be able to modify departmental estimates through scrutiny and advice in terms of national policies and priorities, norms of expenditure and constraints of resources. The powers and influence of the central budget agency may vary from country to country.

Under the traditional system, the central budget agency down to the functionaries at operating levels are responsible for efficient and economical use of funds entrusted to them through the authorised budget. Powers exercised at different levels of executive responsibility depend to a large extent, on the extent of delegation of financial powers, the scope for reappropriation as well as on the degree of systematisation of the service rules, inspection, inventory control, etc. In this respect, a precise definition of the powers and responsibilities of the various functionaries participating in financial management through statutory codes add to the streamlining of executive control. Thus, the system of financial control within the executive wing of government is dovetailed into the system of legislative financial control.

## LEGISLATIVE SUB-COMMITTEES

Though central, legislative control through audited accounts is by no means the only lever of financial control over the executive. Another legislative sub-committee called the estimates committee generally examines the estimates with a view: (a) to effect economies and improve organisation and methods consistent with the policies underlying the estimates; and (b) to suggest alternative

policies to promote economy and efficiency in administration. In India, since 1967, audit of public undertakings is conducted by audit board — a wing of auditor-general of India — which inducts non-official experts as and when necessary. The committee on public undertakings combines the functions of the PAC and EC in respect of public undertakings. Generally, legislative committees conduct their proceedings in smaller groups, i.e., sub-committees. They study various documents and marshal additional information through interviews, investigations, study tours and so on. The reports of the legislative committees are placed before the whole house. A procedure is also evolved to follow up the 'action taken' by the executive wing of government in respect of their recommendations. Many budgetary innovations and organisational reforms have emanated from these committees from time to time.

Thus, the system of financial accountability is founded on the principle "those who spend public money should give an account of their actions to those who bear the burden of taxation". Budget is one of the important tools of legislative financial control. Though budget gives the accounts relating to the previous year as well as the revised estimates of the current year along with the estimates of the ensuing financial year, the attention of the legislature is directed more on taxation and budget estimates than on accounts. Here, again, taxation bothers the legislators more than the level and pattern of public expenditure. Nevertheless, approved estimates of expenditure provide the basis for appropriation audit which highlights glaring cases of waste, fraud, misapplication and misuse of funds, excesses, improper and inefficient exercise of powers, etc., by which the legislative committees dealing with audit reports are enabled to probe deeper into illegalities, irregularities, improprieties and inefficiencies with a view to penalise wilful violations and prevent their recurrence. This is a crucial aspect of legislative financial control. Legislative concern for economy and efficiency could also be pursued through evaluation of on-going policies, programmes and organisational design. Thus, budget and accounts constitute the sheet anchor of financial accountability in democratic government.

#### EFFECTIVENESS OF FINANCIAL ACCOUNTABILITY

The formal design of the system of financial accountability may appear to be sound. But the operational effectiveness of the system and its traditional tools have been found to be far from satisfactory. The practice under the cabinet system is said to be less effective than the congressional control under the presidential

system of the USA. The cabinet system in Britain is sometimes branded as 'cabinet dictatorship'. In the case of the budget, the estimates of expenditure which reach the legislature are final for all practical purposes. Though there is provision for 'cut motions' of various kinds, parliamentary practice debars the legislature from increasing a single item. At the same time, the strength of the ruling party machine is behind the resistance of the executive to the reduction of a single item of expenditure. Thus, the control exercised through discussions on the demands for grants in the floor of the house is more formal than real.

Theoretically, legislative prerogative over policy-making is assumed. But, insofar as the figures displayed in the budget are but a reflection of the policies enunciated by the executive, legislative inability to modify the budget estimates constrains its ability to influence policies. Undoubtedly, legislature is in a happier position in respect of taxation. But the changes brought about in the scope of taxation envisaged in the finance bill are marginal. Even here, some of the important tools of resource mobilisation, such as public borrowing, deficit financing and administered prices are outside the scope of finance bill. Administered prices, taxation through ordinances and executive instructions, etc., have seriously eroded legislative control over taxation in India.

In the case of the United States, the congressional committee could influence taxes and expenditures contained in the President's budget, modifications made are by no means significant, though the tussle between Congress and President can be tough when the congress is controlled by the opposition. However, the two-party system in the US is sometimes characterised as 'two empty bottles with two different labels'.

The record of legislative committees is somewhat better. When endowed with some expertise, they are able to examine, in depth, inadequacies in policies and inefficiencies and organisational deficiencies in programme formulation and implementation. They are also able to focus attention on gross irregularities and wastefulness in public expenditure. However, the legislatures are found to pay scant attention to the results of their labours. In fact, the reports of the legislative committees are hardly considered on the floor of the house. By and large, the impact of their findings is felt more on estimates to come than on those currently discussed in the legislature. In India, some of the budgetary innovations and reforms in financial administration have also emanated from and pursued by the legislative committees from time to time.

## COMPLEXITY OF GOVERNMENT BUSINESS

The complexity and technicality of governmental business have also contributed to the ineffectiveness of legislative control. The scope and scale of public expenditure has vastly increased. Most of the programmes of public expenditure have become highly technical in nature. Formal control by way of authorisation of expenditure and auditing the accounts to ensure legality and regularity without a deeper analysis of the objectives, contents and results of various programmes are found to be somewhat superficial. Legislatures and their committees are often handicapped not only on account of a lack of requisite knowledge on their part but also for want of adequate and reliable information. Performance budgeting, planning, programming and budgeting system (output budgeting, rationalisation of budgetary decisions) etc., are some of the new techniques to present the estimates in an understandable form and to disclose the data base for budgetary analysis and choices between alternatives. Most of these new budgetary concepts and techniques are meant to improve decision-making and as tools of efficient management of programmes in the executive wing of government. However, the format of presentation and the accompanying display of data could be utilised for more meaningful legislative control given the inclination and expertise of the legislators. Realising the challenges and opportunities offered by the modern techniques of budgeting, the federal legislature in the USA has setup a congressional budget office equipped with expert staff to unravel the mysteries of budgetary choices made by the executive and inform the legislators. The budget cycle has also been modified to facilitate budget analysis on behalf of the legislators.

Similar arrangements are not yet evolved in other governments though some such effort is in evidence in the Philippines where the democratic fabric is weaker. In India, where performance budgets have been prepared by many departments in the central government, the parliament has hardly made any use of them as levers of legislative control over executive performance. In general, staff support for legislature is extremely weak at various levels of government in most of the countries. In federal forms of government, the staff support for law-making bodies at lower levels is even more anemic.

## DIFFUSION OF STATUTORY ACCOUNTABILITY

The entry of governments in enterprise type of activities has given rise to statutory corporations, autonomous authorities and companies in many countries. These are organisational contrivances

designed to combine governmental control over policies with autonomy for internal operations. The legislature comes into the picture when the enactment for the formation of statutory bodies is initiated. Once a statute is made, the control of legislature becomes notional. It is true that voting of funds include the capital requirement of enterprises by way of equity and loans for purposes of expansion of the business of enterprises. Annual reports relating to public enterprises are also laid before the parliament. But hardly any time is devoted during budget discussion to assess the policies towards public enterprises. In view of the uniqueness of the position accorded to autonomous business enterprises, a committee of public undertakings has been in operation since 1964 to combine the functions of estimates committee and public accounts committee emulating the British example. Accordingly, the CPU has been examining audit reports relating to public enterprises apart from undertaking comparative studies of various operational problems and practices impinging on efficient performance. Useful as they are, the reports emanating from CPU do not receive the attention of the house they deserve. The formation of government companies under the companies act has eroded the scope of legislative control beyond what is implied in the case of statutory corporations. Though legislatures frown upon such contraptions, which intrude into their prerogatives, executive exigencies have led to many new public sector companies and joint sector ventures in India.

#### INADEQUACIES IN AUDIT

'Tick and turnover audit' of the traditional kind has also been found ineffective with basic changes in the sphere of the state and degree of sophistication of the functions, programmes and activities performed by government. There is increasing emphasis on efficiency-cum-performance audit all over the world. But habits, attitudes and technical equipment of audit have not undergone any radical change. One undesirable consequence is the torment of multiplicity of audit instead of competent efficiency-cum-performance audit. Imposition of different types of audit on the same organisation does not constitute effective audit. Often audit betrays a lack of clarity about the concept and scope of efficiency-cum-performance audit. Performance audit is often confused with effectiveness audit or impact studies. Jumbled up concepts will naturally cloud one's vision of performance of organisations.

There is a provision for associating outside experts with the working of audit board which is constituted at the highest level to

audit the performance of public enterprises. The staff which serve the board has scanty knowledge of financial accounting, costing and management accounting. Unduly long time is spent on the audit of a single enterprise. Sometimes, years are spent before audit reports are finalised. By the time the CPU completes its scrutiny of the audit report, years role by, managements change and the facts incorporated in audit reports become histroy. As a result, audit reports do not serve the primary purpose of legislature's control over the performance of enterprises.

The number of public enterprises grows at a rapid rate. The competence and strength of audit staff do not keep pace with the expansion of public enterprises. Consequently, hardly a fraction of these enterprises are taken up by the audit board every year. At this rate, performance audit of each enterprise cannot take place more than once in a decade or so. Audit at long intervals would naturally water down the effectiveness of accountability.

Auditor General is a servant of the legislature. But as in the case of judges the executive appoints the auditor-general though his tenure and conditions of service are governed by the constitution. However, the appointment of civil servants on the verge of retirement as CAG will not strengthen the independence of audit.

In many countries a leading member of the opposition is made the chairman of the public accounts committee or the committee on public undertakings. This is also the practice in the Indian parliament. But this is not always the case in the state legislatures. If the legislative committees and their chairmen have to look towards the ruling party or its leadership for favours they cannot keep vigil over executive lapses on behalf of the legislature or the masses of voters. In fact, the prohibitive costs of electioneering and consequent control of money power over political parties and the public media are not conducive to making legislatures truly representative. Distortions in the electoral system and process can undermine the roots of financial accountability of the government to the people. Otherwise, how does one explain how and why the cream of the benefits of development accrue to the elite while the brunt of the burden of taxation is borne by the ordinary people.



# Parliament and Policy in India : The Accountability Syndrome

R. B. Jain

PUBLIC POLICIES have been defined as guidelines for public action, prescribing in general terms the means for moving toward a desired course of events or outcome.<sup>1</sup> Since studies of policy-making have been the subject of various academic disciplines, it is difficult to conceptualise policy as an idea that covers all the diverse contributions made by academics and researchers in this respect. In a broad sense, however, policy is seen as a course of action in which government does or does not do something specific. Thus, policy decisions can be couched both in positive as well as negative terms — urging or forbidding to follow certain definite courses of actions.

In a democratic state, public-policy making is thought, as being the function of the elected representatives to announce certain objectives in the best interest of the people. However, in the complexity of big governments of modern times, there are many points in the articulative stage of the political process, where elected officials lose control of their initially announced objectives. A policy seen as a statement of objectives, embedded in a law passed by a legislature, is usually the result of many compromises. As Simmons et al, put it, "Policy is the output resulting from the interactions of governmental and non-governmental individuals and groups."<sup>2</sup>

In the realm of public policies, the executive accountability to the legislature is a distinctive feature of the parliamentary form of government that exists in India. In essence, accountability connotes the government's obligation to elucidate and justify its policies and actions to the legislature and also afford opportunities to its members to comment, repudiate, modify them or initiate new policy measures. Accountability is real to the extent that the legislature is able to oversee and scrutinise governmental activities and thereby to satisfy itself that public policies remain in accordance with the needs and aspirations of people and governmental programmes are efficiently implemented.

This paper is concerned with an analysis of the role of Indian

parliament in policy processes within the parameters of the factors that had been identified by David M. Olson, viz., the attributes of policy problems; the institutional capacity of parliament to act; and external circumstances including the chief executive and the constitutional system, which affect both the extent and the means of parliamentary activity in setting government policy.<sup>3</sup> In evaluating this role and in determining whether the parliament in India has emerged as an 'influencing' or 'transformative' or an 'arena' agency,<sup>4</sup> the study is confined to an analysis of some of the broad policy areas, viz., the 'foreign and defence', 'science and technology' and 'selected economic policy issues' as also to an assessment of the impact of certain parliamentary procedures, like the private members' bills and parliamentary consultative committees. Hopefully, a survey of the parliaments' involvement in these selected areas would furnish us with ample material to discuss the kind of role that parliament in India plays in formulating and controlling public policies.

#### PARLIAMENTARY PROCESSES AND THE POLICY INITIATIVES

In a parliamentary form of government that exists in India, the function of the legislative body, i.e., the parliament is primarily to legislate, advise, criticise and ventilate the public grievances. The executive, for the most part, proposes the legislation and policies necessary for the implementation of the societal objectives, and the parliament gives it its 'imprimatur', after the deliberation and debate often suggesting modifications, wherever necessary. Since public policy is the outcome of the interaction between several political processes, such as objectives being set by the political party in power, concrete shape given to these by the cabinet with the aid and advice of the experts, and the final approval given by the legislature, the legislature serves as a clearing house on all major questions of policy which may by itself act as a check on minor policy issues.

It is significant that the Constitution of India itself mentions some of the basic policy issues which are required to be followed by all the functionaries of the state. Both the preamble of the constitution and the chapter IV on directive principles of state policy define the parameters of the government's internal as well as external policy. The directive principles of state policy,<sup>5</sup> although not justiciable in the courts of law, provide the basic premises of the governance of the country. The various industrial policy resolutions 1948, 1956, 1971 and 1977, and some of the major social policy issues have emanated from the government as a result of such

provisions.

Part III of the constitution which enumerates fundamental rights has also some bearing on the policies of the government, inasmuch as it provides some negative restraints on the powers of the government in enacting policy legislations. Some articles in this part of the constitution impose positive obligations on the state to do certain things. To this extent, the fundamental rights also can be said to contain elements of policy. Such elements are seen in articles 15(2); 17; 18(2); (3) and (4); 23(1); 24; 28(3) and 29(2). Other rights enumerated in this part do not impose any positive duty on the state, but even in their negative form they have an impact on the policy inasmuch as they impose certain conditions on the state, and the policies have to conform to them. For example, all these rights make it necessary for the state to follow the path of liberalism.<sup>6</sup>

There are various occasions in the legislative processes, when parliament is concerned with policy matters. Political parties, especially the party which happens to be in majority in the system of a parliamentary government provides the basic framework of government's policies. Through its utterances at various party sessions, and party manifestoes, the party makes its policy objectives known to the people at large, and the mandate that a party receives from the people at the poll is an endorsement of the acceptance of such policy perspectives. It is these policy objectives that the cabinet seeks to pursue through the legitimacy of the parliamentary approval. Government thus takes decisions on the basis of what "the party decides first".<sup>7</sup> Within the precincts of the legislature today, the parliament's control over policy matters starts from the debate on the President's Address, which generally outlines the policy proposals of the government of the day before the members of the legislature. Subsequently, through the use of Question Hour; debate over proposed legislation; resolutions; motions, budgeting procedures; and the various standing and permanent committees, like the estimates committee, public accounts committee, the committee on public undertaking, etc., parliament can and does exercise influence over policy activities of the government. Further, through the power of finance, power to levy or modify taxes, voting of supplies and grants, and through discussions in the House and its various committees, parliament enforces the responsibility of the executive to itself and ultimately to the people. However, because of India's enormous size and the complexity of issues facing it, decisions cannot be made by the executive alone. This has perhaps been the reason behind the frequent assertion by the Indian parliament of its share of power in

the processes of legislation.

It is not the purpose of the paper to analyse the various processes and procedures of parliamentary control over administration or its activities and measure their impact. Such studies have already been undertaken by many scholars and in much greater detail.<sup>8</sup> The approach here is somewhat different, i.e., to look into some selected issues with a view to analyse the impact of parliamentary involvement in these areas in order to arrive at some tentative conclusions regarding the parliamentary control over public policies in India.

### Foreign and Defence Policies

Foreign and defence affairs are the two most strategic policy areas where the role of legislatures in a parliamentary system becomes not only somewhat nebulous, but also hard to measure. Although defence and external affairs are inter-linked, it seems, however, that the role of parliament in India in respect of defence policies has been much more circumscribed than in foreign affairs. Parliament's role in questioning defence estimates, appropriations and policies has been minimal, because of lack of expertise on the part of a majority of members to question defence assumptions in a complex field. Even if one is able to grasp the nuances of the defence vocabulary, almost all political parties tend to believe that to suggest any economy in the defence expenditures and thereby question the policies underlined would tantamount to lay themselves open to the charge of being unpatriotic. Thus barring a few occasions of a serious nature, like China's attack on India in 1962, there have been very few instances when the parliament had in any way made significant impact on the policy-making process in defence matters. Even some of the important policy decisions, such as the purchase of defence combat aircrafts, involving a sum of around 7,500 million dollars in respect of the purchase of Mirage or Jaguar have been almost through without the scrutiny of the parliament in the regimes of both the Congress (I) and the Janata Party.<sup>9</sup>

In the budget debates on defence matters, the yearly estimates amounting to approximately 4,500 million dollars are generally approved with acclamation, and small bits of criticism relating to the cost effectiveness of the defence expenditure splashed around. During discussions on the budget estimates for the financial year 1981-82, the main thrust of the members' speeches in the parliament was the supreme need to improve the country's defence preparedness, and the issues which dominated were the supply of US arms to Pakistan and the Soviet military intervention in Afghanistan.<sup>10</sup>

A study of the parliamentary debates on the defence matters made

sometime back had suggested that parliamentary criticism and review of the government's defence policy had broadly discussed the need for; (a) increase in defence forces and strengthening defence production; (b) adoption of an effective defence strategy according to the nature of the area, and the enemy faced; (c) organisational improvement in the ministry of defence and the adoption of new management techniques in the defence forces; and (d) raising the morale of the defence forces by improving their conditions of service. While the organisational matters of the ministry of defence were more comprehensively scrutinised by the committees of the parliament, particularly the estimates committee, there was hardly any discussion on the development of an effective defence strategy.<sup>11</sup>

So much for the defence policies, let us now consider the parliament's impact in foreign policy areas. With regard to foreign affairs, the Constitution of India vests the Indian parliament with the exclusive power to make laws with respect to the following major aspects of foreign policy:

1. Foreign affairs, and matters which bring the Union into relations with any foreign country,
2. Diplomatic, consular and trade representatives,
3. UNO,
4. Participation in international conferences, associations and other bodies and implementing of decisions made thereat,
5. Entering into treaties and agreements with foreign countries and implementing of treaties, agreements and conventions with foreign countries,
6. War and peace,
7. Foreign jurisdiction,
8. Citizenship, nationalisation and aliens; extradition; admission into and emigration and expulsion from India; passports and visas; and
9. Piracies and crimes committed on the high seas or in the air; offences against the law of nations committed on land or the high seas or in the air.<sup>12</sup>

Under article 25.3, parliament has the "power to make any law for the whole or any part of the territory of India for implementing any treaty, agreement or convention with any other country or countries or any decision made by any international conferences, association or other body". In terms of financial control, the constitution vests in parliament the power to assent, refuse to assent, to any demands made by the minister of external affairs or subject it to a

reduction of the amount specified therein.

The parliament in India, as the representative of the people has occasionally been a useful, although perhaps not entirely an effective guardian of foreign policy. A recent study of parliament's influence on external affairs, through an analysis of five different case studies, has suggested that on the whole the government has been noticeably influenced by discussions in parliament.<sup>13</sup> However, only in two cases, did the government modify its policy in consequence (the China debate in 1962 and the Agreement of the Voice of America 1963); in two instances, one on the question of Hungary (1956), and the Air-Umbrella (1963), the government was anxious to inform parliament that it was following a policy that parliament would approve of, and in one instance (British recruitment of Gorkhas on Indian side 1952-53), as a result of the parliamentary discussion, the government expedited the action already contemplated. The parliament's influence in foreign policy has been aptly summed up by a former defence minister, Mr V.K. Krishna Menon, who in a statement to Michael Brecher suggested: "As for general policy, these debates have been occasions for the assertion of the basic policies of the government. With large majority, the government has in parliament and with the prime minister being an acknowledged pundit in international affairs, the debates 'could not materially affect' issues".<sup>14</sup>

Although in terms of Government sponsored legislation on foreign affairs, a very small percentage of bills have been introduced and passed by the parliament<sup>15</sup>, no private member's bill on these issues has so far been passed by it.<sup>16</sup>

Resolutions have, however, served some important means by which parliament has on many occasions influenced the conduct of foreign relations. Often such resolutions have served to reiterate or reorient the country's foreign policy in relation to particular developments on the international scene. As an illustration, in August 1968, members of parliament had urged the government to extend their support and sympathy for the movement in Czechoslovakia. In a recent debate, on a resolution moved by Kamal Nath, M.P., and adopted by the house, the parliament expressed its satisfaction and pride on the successful completion of the seventh conference of the heads of states or governments of non-aligned countries held in New Delhi (March 1983), which "reinforced the unity and the international role of the non-aligned community".<sup>17</sup>

While the members of parliament have used the device of parliamentary questions to seek information from the government on many sensitive foreign policy issues, such as Indo-Bangladesh Border (20 August 1981), Indian territory under Chinese occupation (2 September

1981 and 18 September 1981), half an hour discussions by them have included elucidation of wider policy issues, like the nuclear non-proliferation treaty; supply of U.S. arms to Pakistan; purchase of islands in the Indian ocean by the British Government; negotiations with China; closure of Indian business in Kenya; resumption of trade between India and Pakistan; agreement with CARE Inc. etc. Further the device of calling attention notices has been used by the parliament to discuss issues, such as reported arms aid to Pakistan by the USA (23 January 1980); boundary dispute between India and China (31 July 1980); reported decision of the US Government to terminate the agreement for nuclear fuel supply to Tarapore Power Plant (29 April 1981); etc. Similarly, adjournment motions have been moved and admitted in the parliament on various foreign policy issues, like the failure of the government to protect the Indian diplomatic personnel in Communist China (June 1967); reported supply of Soviet arms to Pakistan (July 1968); failure of government's foreign policy at the Islamic Conference at Rabat (November 1969), etc.

The extreme step of a 'no confidence motion' to censure the government on foreign policy issues has been undertaken by members of parliament with reference to government's policy towards Tibet (1969); support to Egypt during the Suez crisis (1956); and Indo-Pakistan Western Boundary Case Tribunal (1968). However, these motions had always been defeated. So far as the impact of the parliamentary committees on foreign policy issues is concerned, the estimates committee amongst all the parliamentary committees has alone been concerned about the working of India's diplomatic missions abroad. The forum of consultative committees has generally been utilised by the government to acquaint the members of parliament with some more information on foreign policy issues and to assess the support of the government's thinking, tentative or otherwise, on certain issues likely to be raised in the parliament in the coming sessions.<sup>18</sup>

Over the years, parliament thus had occasions to discuss India's relations with other countries as also the attitudes of the Government of India on important world issues like the Soviet intervention in Afghanistan, conflict between Iran and Iraq, the Namibia problem, the South-East Asian problems, Sino-Indian relations, Indo-Pak relations etc. On occasions, the speeches made by the prime minister or the minister of external affairs in parliament on foreign affairs, besides being the medium for the reiteration of the accepted policies by the government, afford an opportunity to keep the record straight, to correct mistaken interpretations and to answer criticisms. Further dissent from the official policy by the back-benchers of the ruling party, and the criticisms made by the

opposition may permit expression of views and reactions which the ruling party may later take into consideration for modification, if any, in the official policy.<sup>19</sup>

### Science and Technology Policy

Let us now examine parliament's involvement in another key area of public policy relating to science and technology. Public policy on science and technology tends to be multi-dimensional covering such areas as development of science and technology institutions, assessment of future needs, determination of the areas of thrust with overall science and technology plan, assessment of manpower requirements, assessment of the adequacy and overall balance of country's civil and military research efforts: programming and co-ordination of diverse government programmes and finally, the identification and evaluation of accomplishments in the light of the objectives sought and resources expanded.<sup>20</sup>

Since the very independence, the political leadership in India was concerned with the advancement in the field of science and technology. With this purpose in mind the government in 1951 created a ministry of scientific research and natural resources for organising and directing scientific research for national development. However, the most important step in this direction was the adoption of the scientific policy resolution by the Indian parliament in 1958.<sup>21</sup> In this respect, the Indian parliament is, perhaps, the only legislative body in the world to have adopted a "Science Policy Resolution". This resolution laid down broad guidelines for the development of science and technology in order to promote the social and economic development of the country. This was an attempt to have a formal (explicit) policy for science and its development and also to involve science in general policy-making for achieving social and economic goals of the nation.

Having passed the scientific policy resolution, it was expected that the parliament would follow it up with its continued interest both at the policy formulation as well as its implementation level. It was hoped that the parliament would develop its own mechanisms of information collection for the better implementation of science policy resolution. But nothing of this kind happened. Only one further step was taken in August 1961, when an unofficial parliamentary and scientific committee was established,<sup>22</sup> the membership of which was open to members of both the houses of parliament and to the organisations and societies of scientific and technical nature. The committee thus provided a common forum for members of parliament and the scientists to interact on the problems of science, technology and development. Since it was only a voluntary organisation of



the parliamentarians and the scientists, its scope was limited and it failed to raise issues or to provide authentic information to the parliamentarians on various science policy issues.<sup>23</sup>

A careful analysis of the literature available on the role of parliament in the formulation of science and technology policy reveal that there is no well informed debate in the parliament on the problems of science and technology and their interface with society. However, an informed debate in the legislature depends upon the information made available to the members of parliament about developments in science and technology, the position of the country on the international scene, the way it is going to effect the lives of people, the various strata of society and the environment, etc. At present, there is no well organised machinery within the precincts of the parliament for continuous collection of information, its analysis and its transmission to the decision-making system, nor there is any arrangement of a feed back system. Further, information on how such policies are arrived at, programmes formulated, their implementation, progress and success or otherwise is not made available to persons within the system or even to academicians who wish to study the processes of policy-making or to the parliamentarians who would like to know and ask questions in these areas.<sup>24</sup>

The extent of parliament's interest in various issues of science and technology is manifested in the kind of questions, debates, call attention notices, adjournment motions, etc., concerning the scientific departments and their activities that have been occasionally raised on the floor of the house. Parliament also debates on the performance of these departments, while examining their demands for grants. A further assessment of the influence made by the parliament on the organisational set-up for research and development can also be had from the reports of the two standing committees of the parliament, viz., the estimates committee and the public accounts committee. The functions of these committees are to report on the working of science agencies and other public sector agencies dealing with science and technology. Parliamentary consultative committees consisting of members of parliament also help each ministry with science responsibility by integrating political and social decisions with science and technology policy.<sup>25</sup>

An empirical study on the kind of questions asked in the parliament in relation to science and technology policy and the reports of the estimates committee and public accounts committee, conducted recently by National Institute of Science, Technology and Development Studies (NISTADS) reveals a very low concern of parliament for

science affairs. Although it may be some satisfaction to know that the number of parliamentary questions asked during question hour has increased progressively, from about 6,000 in 1951 to 20,000 in 1978, the proportion of questions (see Table I) relating to various science policy issues has remained more or less the same during the years 1951, 1961, 1971 and 1978 for which the said study was undertaken.<sup>26</sup>

Table 1 TOTAL NUMBER OF QUESTIONS ASKED IN THE PARLIAMENT  
ON SCIENCE AND TECHNOLOGY POLICY ISSUES<sup>27</sup>

	No. of Questions asked during			
	1951	1961	1971	1978
Total number of questions	5,919	14,457	14,261	22,714
No. of questions on science policy issues	217 (3.67)	761 (5.26)	514 (3.60)	1,122 (4.94)

NOTE: Figures within parentheses represent percentage of the total number of Questions asked.)

As is clear from Table 2, although collectively it seems, that the parliamentarians have shown increasing concern for science affairs as the number of questions asked have increased from 3.6 per cent in 1951 to about 5 per cent of the total number of questions in 1978, and the number of members asking more than 10 questions per year has also increased from 3 in 1951 to 40 in 1978. However, a content analysis of the same reveals that there have rarely been questions on the overall science and technology policy of the nation. The question hour has been used by members more or less as a forum for ventilating their views on specific issues rather than been utilised as a means of evolving a perspective on scientific and technological policies. About 50 per cent of the members of parliament did not ask even a single question on any of the science policy issues.<sup>29</sup> In the year 1951 and 1961, not a single question on science policy was asked. The number of questions on science and technology policy asked in the years 1971 and 1978 were only 10 and 5 respectively.<sup>30</sup> Thus, the parliamentarians may have shown a relatively increasing awareness of the relevance of science and

Table 2 NUMBER OF MEMBERS ASKING QUESTION ON  
SCIENCE POLICY ISSUES<sup>28</sup>

	Number of MPs asking Questions during			
	1951	1961	1971	1978
Less than 5 questions	44	105	189	221
5-10 questions	13	35	36	52
More than 10 questions	3	31	19	40
Total No. of Members asking questions	60	171	244	313

technology policy but they do not appear to have been enthusiastic enough to critically examine the existing policies and programmes. This gives the impression that science has been rated by the members of parliament as a low priority subject.<sup>31</sup>

In another sense, however, the impact of the reporting of the two important financial committees, viz., estimates committee and the public accounts committee, on the working of various departments and organisations concerned with science and technology policy seems to have been somewhat better (see Table 3).

As will be seen from Table 3, the Estimates Committee has produced 209 reports on the departments and agencies concerned with science and technology during the first five parliaments as against a total of 673 reports submitted by it, suggesting that it has been quite concerned with the organisation and functioning of various science and technology institutions. However, the public accounts committee has submitted fewer reports on these departments. It is possibly because of the fact that scrutiny done by both the committees differs in its nature. However, the growing increase in the number of reports by these committees for various departments of science has promoted increased public debates and questions in the parliament. Inquiries have often been made in the public accounts committee as to how far the heavy amounts spent for the development of science and technology have helped in the solution of various socio-economic problems of the nation. The reports of the estimates

Table 3 REPORT OF FINANCIAL COMMITTEES ON VARIOUS SCIENCE DEPARTMENTS AND AGENCIES<sup>32</sup>

Lok Sabha Period	Estimates Committees		Public Accounts Committees	
	No. of Total Reports	No. of Reports on Various Activities	No. of Total Reports	No. of Reports on Various Science Activities
First 1957	43	30	19	-
Second 1962	153	47	39	1
Third 1967	120	39	55	15
Fourth 1971	131	47	129	27
Fifth 1977	226	46	262	38
Total	673	209	504	81

committee on the other hand have largely aimed at improving the organisation and working of the administrative machinery, but have neglected the long-range policies and programmes for scientific and technological developments and their relevance for socio-economic development.<sup>33</sup>

The NISTADS Report has urged the need for some institutional and functional framework for an improved system of communication between the political system and the scientific and technological system of the country. It has suggested the creation of a statutory parliamentary committee on science and technology to enable the members of parliament to play their role in the formulation as well as implementation of science and technology policy of the country. Such a committee can have frequent interactions with the scientific and technological community so as to provide an information base for the parliament to facilitate objective evaluation of national science and technology programmes. The report is optimistic that the increasing interaction among the people, politicians and the scientific community will go a long way in establishing an effective national science and technology policy, and would be more effective because of their ability to concentrate on specific scientific issues.<sup>34</sup>

## Economic Policy Issues

Parliament in India has been very much concerned with the overall economic planning system, as well as the specific economic problems and issues facing the nation. This is evident from the fact that a major part of the parliament's business has been dominated by questions, resolutions, debates and legislation relating to the economic conditions prevailing in the country and the problems of rising unemployment, inflation, prices, etc.

A study in respect of parliament's role in economic planning undertaken by the present author sometimes ago reveals that the Indian parliament is involved in the processes of planning at three different stages: first, when draft five year plans prepared by the planning commission are submitted to it for a general discussion; second, at the time of adopting the plan proposals before they are implemented, and third, during the discussion of annual budget estimates, when plan expenditures spread over to a period of five years are broken in terms of annual plan expenditures and are incorporated in the budget estimates.<sup>35</sup> Despite the various deficiencies in parliament's review of the formulation and implementation of five year plans noted therein, the parliamentary processes have at least provided an opportunity for a better understanding of the national economic planning system. The members of parliament have had the opportunity to learn, and criticise the government in its planning efforts. The planners have had a chance to take account of the feedback from the elected representatives.

Within the parliamentary processes, the committees of the parliament sometime play an important part in matters of economic planning. Recently, the outgoing public accounts committee (PAC) headed by Shri Satish Agrawal (Bhartiya Janata party), has shown what a committee can do to hold the government accountable in respect of planning. For the first time, the PAC enquired the functioning of the planning commission and helped the people to discover for the first time the colossal failure of planning in just one sphere - irrigation, "we would not need to import food grains today", he told, "if only our planning was sound and schemes had been implemented".<sup>36</sup> To an extent, therefore, parliament has served a legitimising function as well as a publicising one. However, the undoubted paucity of substantive changes in the plans as a result of legislative comments and recommendations must be balanced against the complexity of planning a federal system.

At various points in its career, parliament has not only debated but pursued specific policy issues in relation to economic matters. Mention must be made about the parliament's interest in respect of price policy for sugarcane and sugar through the Fourth Lok Sabha

(April 1972); government's price policy for cotton and cotton textiles (July 1972); and government's price policy for foodgrains (January 1973). The three case studies conducted sometime ago by the legislative information and research services of the Lok Sabha give enough of indication about the parliament's capability of making the government accountable for its policies to the representatives of the people.<sup>37</sup> It will be interesting to analyse the role of the parliament in terms of such specific economic policy issues.

#### Parliament and Government's Price Policy for Sugarcane and Sugar

At the beginning of the fourth Lok Sabha, the sugar industry was passing through a phase of control over the price and distribution of sugar. In regard to sugarcane, a system of minimum price fixation related to the recovery of sugar from sugarcane was in operation. This system was designed to guarantee a specific minimum price up to a certain level of recovery and provided for a premium on each 0.1 increase in recovery percentage above this level. The sugarcane price announced in March 1967, was fixed at Rs. 5.68 per quintal, linked to a recovery of 9.4 per cent with provision for an increase at 4 paise per quintal for every 0.1 per cent increase in recovery.

Parliamentary criticism of the government's price policy in regard to sugarcane and sugar has been directed mainly towards the need to offer a higher price to the farmer for sugarcane as an incentive to grow more. It is in this sphere that parliament has been most effective in orienting government's price policy gradually in favour of higher sugarcane production on a sustained basis.

This was achieved through a call attention motion raised by a member, Yash Pal Singh on April 3, 1967 in the Lok Sabha, followed by a discussion through an 'half-an-hour discussion' raised by Shri Prakash Vir Shastri and the reply by the then minister of state in the ministry of food, agriculture, community development and co-operation.<sup>38</sup>

The sugar policy for the season 1967-68 was announced in both the houses of parliament on August 16, 1967 by the then Food Minister Jagjivan Ram, which was followed by a call attention motion by S.S. Kothari.<sup>39</sup>

For the years 1969-70, two short duration discussions on sugar policy were further raised by Kashi Nath Pandey and N.P.C. Naidu in the Lok Sabha.<sup>40</sup> The government responded by announcing the appointment of a commission to review the working of the sugar industry in the country in depth, and at the same time, a statement of the Food and Agriculture Minister Shri F.A. Ahmed rejected the demand for higher prices for sugar.<sup>41</sup> However, the sugar policy was

modified on May 25, 1971, when the government decided to lift the control on the price, movement and distribution of sugar completely. The short duration discussions in the Lok Sabha on May 25, 1971, after the minister's announcement of the sugar policy raised some further controversies in the matter.<sup>42</sup> As a result, some new measures in this respect were announced in Lok Sabha on December 13, 1971 by the then Minister of Agriculture Fakhruddin Ali Ahmed.<sup>43</sup> The government was, however, still criticised for its policy of half-hearted control on sugar, which protected the interests of the factory-owners.<sup>44</sup>

#### Parliament and Government's Price Policy for Cotton and Cotton Textiles

Government's price policy in regard to cotton has been mainly influenced over the years by the following considerations:

1. To help a check on cotton prices so that cloth might be made available to consumers at reasonable prices.
2. To ensure a reasonable return to the cotton growers for their produce.
3. To need for maintaining adequate floating stocks in the country to meet the requirement of mills.
4. The need for maintaining adequate floating stocks with the trade with a view to achieve internal price stability necessary for stabilising the prices of mill-made cloth and yarn.
5. The need for maintaining exports of the qualities and quantities of cotton surplus to the requirements of the Indian mill industry.
6. The need for encouraging increased growth in India of better and larged stapled cotton, done through the fixation of the floor and ceiling prices of the basic variety known as 'Garila Fine'.

The question of cotton price and supplies was discussed in Lok Sabha, first in April 1967 through a call attention motion moved by Madhu Limaye on the crisis in textile industry due to the shortage of raw cotton. Later on, through a series of debates, half-an-hour discussions, statement by the minister concerned, the government amended its cotton price policy in view of outbursts in the parliament and the situation arising out of the reported lack of sale of cotton in Gujarat and some other states due to the imposition of stock credit and contract controls.<sup>45</sup>

### Parliament and Government's Price Policy for Foodgrains

The question of fixation of a fair price for agricultural commodities, especially foodgrains, has been raised time and again in recent years by members in both houses of parliament. By expressing the cause of the farmers in a vigorous and persistent manner, parliament has sought to influence government's price policy in relation to agricultural commodities, and has, thus, endeavoured to secure for the farmer a fair and reasonable return on his produce. This is evidenced by the government agreeing to revise upwards the prices of agricultural commodities for a particular crop season, or by the setting up of committees or commissions to investigate and decide upon a rationale for fixation of price of agricultural commodities in the light of the suggestions made by members in parliament.

Since the beginning of the Fourth Lok Sabha, the grievances of the farmers that they were not getting a fair and reasonable price for their produce were aired on the floor of the house on several occasions through calling attention notices, short duration discussions, half-an-hour discussions, resolutions, questions, etc. While the government seemed to have all along been agreed upon the basic issue of a fair and reasonable price to the farmer in respect of agricultural commodities, the difference between the viewpoint of the government and the demands made by the members in parliament on behalf of the farmers has been largely of emphasis. The difference lay mostly in members demanding a somewhat higher price than that fixed by the government for a particular commodity for a particular crop-season. The difference between the viewpoint of members and the government has been more pronounced in regard to the basis for fixation of a fair price for agricultural commodities and about what constitutes a fair and reasonable price.<sup>46</sup>

The above mentioned three case studies illustrate the occasions when the parliament had been able to influence its outcomes in respect of some important economic matters of public concern. However, it must be observed that this does not imply that parliament has been able to initiate any specific policy measure on its own. Its role has been more of an 'influence', and not as initiation of policies.

### PUBLIC POLICY AND PRIVATE MEMBER'S INITIATIVE

In the realm of public policies private members can take initiative by introducing private members' bills in the parliament. Since the first Lok Sabha in 1951 until the end of sixth lok sabha in



1979, as many as 323 such bills have been introduced (Table 4), which is an index of members' interest in changing or influencing the formulation of public policies. Whether or not a policy sponsored by a private member in the shape of a bill reaches the statute book, the introduction of such a measure does, however, set the executive machinery in motion, leading often to concrete action. In the words of the present speaker of Lok Sabha, Bal Ram Jekhar, "a significant spin off of a private member's bill is that it develops public opinion on a subject and more often it may promote and prompt future official enactments, i.e., to pave the way:<sup>47</sup>

Table 4 PRIVATE MEMBERS' BILLS IN THE INDIAN PARLIAMENT<sup>48</sup>

	No. of Proposals considered by Lok Sabha Committee on Private Members' Bill & Resolution	Intro- duced	With- drawn	Nega- tived	Lap- sed	Remo- ved	Pass- ed
1st Lok Sabha							
1952-57	135	57	21	15	10	4	7
II Lok Sabha							
1957-62	194	70	32	30	3	3	2
III Lok Sabha							
1962-67	177	77	42	26	6	-	3
IV Lok Sabha							
1967-70	347	35	12	13	8	-	2
V Lok Sabha							
1971-77	282	62	40	16	6	-	-
VI Lok Sabha							
1977-79	249	22	13	3	6	-	-
TOTAL	1384	323	160	103	39	7	14

In 1953, a committee on private member's bill and resolutions was constituted in the Lok Sabha to discharge the same function as the business advisory committee of the Lok Sabha to determine priority of private member's bill. The question of allotment of time to bills for discussion by the house had engaged the attention of the committee right in the beginning and, in its very first report it

recommended the allotment of maximum of four hours for consideration and subsequent steps of a bill. (See Table 5)

Table 5 PRIVATE MEMBERS' BILLS—POLICYWISE CLASSIFICATION<sup>49</sup>

Lok Sabha Period	Social Poli- cies	Health & Educa- & Foreign Policies	Defence & Indus- trial & Economic Policies	Agriculture/ & Techno- logy Economic Policies	Science & Adminis- trative & Poli- tical Matters	Break up of Bills Passed	
I 1952-57	26	5	-	17	-	9	Social Policies 4 Education Policies 1 Political Matters 2
II 1957-62	26	4	1	13	-	26	Social Policy 2
III 1962-67	9	5	-	15	-	48	Social Policy 2 Political Matters 1
IV 1967-70	1	3	-	6	-	25	Social Policy 1 Political Matters 1
V 1971-77	10	4	1	14	-	33	-
VI 1977-79	4	4	-	4	-	10	-

By and large, the discussion on private members' bills has been limited to four hours but on occasions, certain bills of far-reaching importance and wide public interest, such as (i) The constitution amendment bill 1967 (amendment of article 368) introduced by Nath Pai, (ii) The freedom fighters (Appreciation of Services) Bill, 1971, introduced by Shibban Lal Saxena; and (iii) The Salary, Allowance and Pension of Members of Parliament (Amendment) Bill, 1980, introduced by Mool Chand Daga, have taken longer time with the consent of the house.

Besides bills, the other significant segment of private members' share in the business of a legislature consists of resolutions on matters of general public interest. The Lok Sabha committee has prescribed a maximum limit of four hours for the discussion of a resolution. In the present house, during the years 1980-82, it has allotted time for discussion to 72 resolutions, and out of them 20 resolutions have been discussed by the house. Though, by and large,

the time limit prescribed by the committee is adhered to, in cases of resolutions of wide public importance, time allowed has also exceeded the initially allotted time, and discussions have in fact spread over for several days allotted for the transaction of private members' resolutions with the consent of the house.<sup>50</sup>

An analysis of the role of the private members in initiating public policies, will suggest that although there is a growing desire on the part of the individual member of the parliament to initiate policy proposals, most of these proposals are, however, lost in the labyrinth of parliamentary procedures and only a miniscule of such proposals are accepted by the government and reach the statute book. Table 4 clearly indicates that during the first six Lok Sabhas, out of a total of 1384 Bills considered by the committee on private members bills, only 323 were considered by the house out of which only 14 could reach the statute book. The maximum of such bills related to political and administrative policies, followed by social, economic and health policies. Only two bills were introduced in the realm of defence and foreign affairs and none in respect of science and technology policy. Thus, it could be construed that policy initiation is not really the activity which the parliament in India is engaged in, but it has on several occasions acted as more of a policy influencing agent.

Another significant feature discernible from the above table is that even in this microscopic acceptance of policy measures by the parliament, the number of policy proposals finally passed in the shape of statutes has been gradually declining. While in the first lok sabha, it was 7, in the second, 2; in the third and fourth, 3 and 2 respectively and none of the proposals had been accepted in the fifth and sixth Lok Sabha. These facts amply demonstrate that the parliament's role in policy activity is also dependent on various variables among them is the assertion by the leadership by the party in power and the consideration and respect with which it treats the opposition. The facts in respect of the acceptance of private members' Bills are symbolic of the disrepute in which the word 'opposition' of whatever complexion has fallen in the politics of India today, and smacks of ominous signs for the future of parliamentary democracy in India -- a tendency which needs to be curtailed, if democracy in India is to survive.

Another factor, apart from the government's response and procedural lacuna, which seems to have influenced a private member's interest is the fact that private members' business has more or less been relegated to the debates, after which a bill or resolution is either withdrawn (because of the government's assurances) or rejected. If the thin attendance during the private members'

business is any indication, the members' interest also seems to be waning.<sup>51</sup>

#### POLICY MAKING AND PARLIAMENTARY CONSULTATIVE COMMITTEES

The role of the legislature in policy-making in India has mostly been ex-post facto, i.e., a post-performance review of the policies of the government and their execution. The control of the legislature in policy-making has, however, become weak, as the members appear to be more concerned with ventilation of individual grievances and do not possess the requisite information and data to face the well informed executive. The parliament is naturally denied of a meaningful role in making the policies.

The idea of actually associating the legislators with the policies, programmes, and activities of the executive, both at the formulation and in the implementation steps was first conceived by late prime minister Jawaharlal Nehru in 1954. He considered the desirability of informally associating members of parliament with ministers and senior officers of government to enable the members to have a glimpse of the working of government in the various departments and also to bring the members in close touch with the government's activities, thereby reducing the number of questions in parliament. It was thus that the informal consultative committees of parliament came into being in 1954 and continued to function till 1967.

After the general elections of 1967, objections were raised by certain quarters about the functioning of these committees. The position was reviewed in detail in consultation with the leaders of opposition parties/groups in parliament. The contribution made by C.C. Desai in resolving these points is worth mentioning. As a result of these deliberations, certain guidelines were formulated governing the constitution and the functioning of the consultative committee attached to various ministries.<sup>52</sup>

Under the new guidelines, the main function of these committees is to advise the government on matters of public interest and to assist it in the formulation of policies and their implementation. However, a careful examination of the actual functioning of these committees reveals that these have not proved helpful either in matters of general public interest or in matters of policies. As these committees are presided over by the respective ministers of the government, they can only make recommendations to the ministers, who may accept or reject the same in toto. Since these are not statutory parliamentary committees, their functioning is also hampered as they do not have any coercive power to summon any

witness or demand the production of any government file or examine any official record like the other standing committees of the legislature. Their proceedings are surrounded in secrecy, which also saps the interest of their members. This practice, however, is helpful, in another way as it enables the ministers to divulge such information to the members which they are reluctant to do so on the floor of the house.

During the proceedings of the consultative committees, the members feel, sometimes justly, that they have been called to listen to the ingeniously prepared notes eulogising the achievements of the government and hiding their failings. They also argue that functionally the very name of the consultative committee is a misnomer, because these committees are used as "channels of information rather than aid to formulation of policies."<sup>53</sup> Their meetings tend to be "more like press conferences than to be consultative meetings".<sup>54</sup>

#### THE INDIAN PARLIAMENT AND POLICY DEVELOPMENT: SOME TENTATIVE OBSERVATIONS

The above brief survey of the legislature's involvement in policy areas may not be sufficient enough to enable us to undertake an indepth analysis of the real impact of the Indian parliament in this field, however, in a limited way it does indicate certain trends: (a) in respect of the executive's accountability to legislature in the realm of public policies, and (b) provides a basis to test the validity or otherwise of some of the basic factors and hypotheses raised by David M. Olson in attempting to build a general model of legislative impact in policy development.<sup>55</sup>

In terms of enforcing accountability, it is clear that, in India, parliament does possess the institutional capacity to make the executive answerable to it. Such a capacity of the parliament is, however, hinged upon various external circumstances including the position and personality of the chief executive and the constitutional system. Within the constitutional framework, the various parliamentary procedures in India have been so designed as to give sufficient opportunities to the members of the parliament not only to influence the processes of policy-development; but at times also to initiate policy proposals. However, as has been seen, the impact of all these processes is greatly hampered by certain extra-constitutional factors, the chief among them being: (a) the absolute party majorities of the governments in the central legislature, (b) the gradual decline in the stature of men who constituted successive parliaments in comparison to the ones which followed after independence,<sup>56</sup> and (c) the attitude of the majority leader towards the

opposition.<sup>57</sup> If the opposition is not able to rise above the level of rabble rousers, and is not behaving in a responsible manner, it is because of the constant denigration of the opposition by all the successive leaders of the ruling party after 1967. Before that, although, the ruling party under Nehru had an overwhelming majority and the number of opposition was much smaller and not as united as it is today, the opposition members took their role seriously and consequently raised the standards of debates in the parliament and sufficiently influenced the policy-processes. It is because Nehru created an impression that the role of opposition was relevant. He was a serious parliamentarian who attended every session to the last minute and listened to every speech made in the house.<sup>58</sup> Dissidence even with the ruling party was recognised as a qualification. There are many instances when the ruling party members by their independent stand on various issues could embarrass even Nehru who nevertheless respected them for their honesty and courage. It is difficult to say how many of the ruling party members today have the courage to demand an explanation from the leader of the majority party about the failure of the government in any policy area, leave aside her recognition in cases of radical disagreement.

#### The Policy Content

The various hypotheses framed by Olson<sup>59</sup> in regard to policy content, the degree of institutionalisation, and the environmental constraints have in most cases been proved by the aforementioned survey. As would be evident from the discussion on the initiatives taken by the private members in policy making, and a comparative study of the activities of parliament in various fields of defence, foreign affairs, socio-economic affairs, the policy activity of the Indian parliaments seems to be greater on issues of societal regulations and benefits, than on question of security and finance. Of the many bills passed as private members' legislation, a majority of them have related to some social problems, while other areas of policies have evoked least response from the members. Similarly, it can also be discerned, that the Indian parliament has hardly any noticeable role in the gestation of a policy, while its role is only marginally better at the stages of implementation. One possible explanation for such a conclusion can be that the general public is most effected, by the way the policy is implemented, and therefore, members of the parliament become more active and concerned, when the implementation of particular policies creates inequities or imbalances in the distribution of benefits and resources within the different segments of the population giving them an opportunity to espouse regional or particular causes on the floor of the house, and

to put the government on the defensive.

### Institutionalisation

Although this article has not covered in any detail the party activities of the members of parliament, and their impact on policy processes, yet some tentative conclusions relating to the impact of institutionalisation on public policy issues in Indian situation could still be drawn. Within the precincts of the Indian parliament, the political parties have been more active in criticising the specific policy issues rather than framing or making new policy proposals. The existence of a single dominant party system in parliament has precluded a detailed critical discussion on policy issues in the party forums within the parliament.

However, in the Indian context, the hypothesis that the policy activities of parliaments is greater if the parliamentary parties are weekly organised or fragmented, does not get any support, since the policy activities of the parliament in India have not increased as a result of such factors.

Again, it is a matter of hypothetical discussion that the policy activities of the Indian parliament will increase, if parliamentary committees are permanent and parallel to the structure of administrative agencies. This indeed has been a cardinal point of many reform proposals for institutionalising the committee system in the Indian parliament with a view to make the government more accountable in policy areas. It is interesting that such a measure has been introduced in the State of Kerala in the Indian Union, the results of which are still to be properly assessed.<sup>60</sup> If such a proposal is acted upon, it is possible that a greater accountability of the executive in respect of policy development may become a reality as is indicated by similar trends in the British parliament after the creation of various subject committees in 1979.

However, it is clear that in the Indian parliament, the committees more than the parties, have been active in all the stages of the policy development. While parties have been mainly active in the gestation stage of a public policy, the committees have been quite active at the stages of their implementation without having any real impact on policy-making.<sup>61</sup>

### The Environmental Factors

The environmental factors in India seem to have played a more overriding role in conditioning parliament's involvement in policy making. The hypothesis that the policy activities of legislatures is greater in presidential than in prime-ministerial system is very well proved by the Indian experience. Similarly, the premise that

the policy activities of legislatures are greater, if the executive branch is more open than closed, is also substantiated by the Indian situation. However, the statement that the policy activity of the legislatures increases as the number of administrative agencies grows, does not get any support in the Indian context. Although in the last 30 years of the existence of the Indian parliament, there has been a tremendous growth in the number of administrative agencies in India, but it has not materially altered the nature of parliament's impact of policy processes. It is, of course, a different matter, that in pure quantitative terms parliament today may be considering a larger number of policy issues than ever before. The other hypotheses proposed by Olson<sup>62</sup> in respect of the impact of environmental factors on policy development would require a more detailed and indepth analysis in order to be tested, which is beyond the scope of this article.

#### Stages of Policy Development

The foregoing analysis of the Indian parliament's involvement in specific policy areas may also indicate the specific role of the Indian parliament in respect of the various stages of policy development. So far as the gestation stage for policy is concerned, it is evident that the parliament as a whole has no discernible role in the preparation of policy-action proposals. Even when some of the perspective plans formulated by specific administrative institutions come before the discussion of parliament it is the 'specialist' or the administrative staff, which has an upper hand in defining potential future problems rather than the members of the legislature. In the successive stages of policy formulations, however, the consensus on various policy issues is first achieved by the political parties in their own forums and are then vetted by the various cabinet committees assisted by the senior civil servants.

It is in the third stage, i.e., in respect of policy deliberations and adoption that the parliament as a whole and the members in their individual capacity can and do make significant contributions to the ultimate policy outcomes. Although as has been noted above, the impact of such deliberations at times is only marginal depending upon the ruling party's strength, position of other parties and the attitude of the leader of the house. The Indian parliament has, however, demonstrated its capacity to modify the policy proposals initiated by the executive, although the performance of the Indian parliament in this respect has been more or less moderate rather than 'strong' or 'weak'.

The Indian parliament's capacity to influence the implementation of public policy has been much more in evidence than in other stages



of policy development. The various devices of parliamentary control existing in the Indian parliamentary system, such as the question hour, short-duration discussions, half-an-hour discussion, adjournment motions, reviews by various committees have favoured a more effective role of the parliament in the implementation of public policies.

The overall conclusion that one can draw about the Indian parliament's capacity to influence public policy and hold the executive accountable in this respect is that given the environmental constraints, parliament's competence to make or initiate policy measures is extremely limited irrespective of the nature of policy areas. While the capacity of the Indian parliament to influence defence, foreign and scientific policies is very little indeed, it has had only a marginal impact in the other areas of public policy, i.e., in most socio-economic or domestic affairs. While the Indian parliament has shown its capacity and willingness to modify various policy proposals coming before it for discussion and approval, it has a latent capacity to outrightly reject a policy proposal. Further, it seems that the parliament in India has been most virile in enforcing executive's accountability to itself, despite the aberrations of an emergency (1975-77) and the continued existence of one party dominance rule in the legislatures. In the final analysis, thus it seems more appropriate to suggest that in India the parliament has performed a more active role as 'policy-influencer' than either 'policy-maker' or as 'policy-transformer'. It is possible however, that through a further refinement of the existing parliamentary procedures, particularly in respect of a stronger committee system and the emergence of a cleaner and healthier party politics, the capacity of the parliament to enforce the accountability of the executive in various stages of policy development will greatly increase.

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  57. A veteran parliamentarian Madhu Limaye has charged that the attitude of the present leadership of the ruling party has alternated between two sentiments in her approach to parliament. When the opposition is strong as in 1967-72, she is haunted and when it is weak, she has total contempt for parliament. While Nehru had greater respect for parliament and for the opposition, Mrs. Gandhi is paranoid." As quoted by P.P. Balachandran, "Indian Parliament: The Twilight Era" in PROBE INDIA, December 1981, p. 10.
  58. Ibid., pp. 11-12.
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The Seminar made a specific proposal to establish departmentally related specialised subject committees to cover the entire spectrum of administration. These committees would conduct close pre-budget scrutiny of the estimates and complex expenditure plans before they are voted on the floor of the House; monitor and evaluate the performance in relation to policy objectives and financial outlays, etc. These committees can also scrutinise all legislative proposals sponsored by the concerned ministries. Constitution of a separate special committee for each of the ministries and departments would prove to be too cumbersome. A beginning could be made with a few subject-based committees on the lines indicated below:

POLITICAL AFFAIRS COMMITTEE      MINISTRIES/DEPARTMENTS COVERED

National Affairs (Political), Foreign Affairs, Public Administration, General Services, Legal Constitutional Parliamentary matters	Defence, Home Affairs, External Affairs, Department of Personnel and Administrative Reforms, UPSC, Law, Justice and Parliamentary Affairs.
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ECONOMIC AFFAIRS COMMITTEE

Economic Growth, Planning, Production, Finance, Banking and Currency and Company Affairs.	Planning, Finance (including Revenue Expenditure and Economic Affairs), Bureau of Public Enterprises, Insurance and Company Affairs
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R.B. Jain

INDUSTRY, TRADE & COMMERCE  
COMMITTEE

Industry, Trade (Export and Import), Commerce	Commerce, Heavy Industries, Industrial Development, Petroleum, Fertilizers and Chemicals, Steels, Mines and Civil Supply
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TRANSPORT AND COMMUNICATIONS  
COMMITTEE

Transport and Communications including Railways.	Transport, Railways, Shipping, Civil Aviation, Communication, Posts & Telegraphs
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FOOD AND AGRICULTURE COMMITTEE

Food, Agriculture, Irrigation, Power, Rural Development	Food, Agriculture, Power, Irrigation and Rural Reconstruction
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EDUCATION & SOCIAL WELFARE  
COMMITTEE

Cultural, Educational and Youth Affairs, Social Security, Scheduled Castes and Tribes, Backward classes and Areas, Minorities, Health, Family Planning and Welfare, Housing, Manpower, Labour and Employment, Tourism & Broadcasting	Culture, Education, Information & Broadcasting, Tourism, Health, Family Welfare, Social Welfare, Rehabilitation, Works and Housing, Labour and Employment
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SCIENCE AND TECHNOLOGY  
COMMITTEE

Scientific and Technological Development including Nuclear Energy and Space.	Atomic Energy, Science and Technology, Space and Energy.
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These seven committees may be in addition to the Plan Committee, Legislation Committee and Constitution Committee, which have also been proposed by the Seminar as a reform package. In the new set up, the scope and method of functioning of the existing Public Accounts committee, the Estimates Committee and the Public Undertakings Committee may have to be suitably modified. See PROCEEDINGS OF THE SEMINAR, Ibid., p. 9. For a discussion on the reorganisation of committee system in the legislature of Kerala State, see N. Jose Chander, THE LEGISLATIVE PROCESS IN KERALA Triyandrum. Darsan Books, 1981.

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# The Estimates Committee and Administrative Accountability

N. R. Inamdar

## PARLIAMENTS AND THEIR COMMITTEES VIS-A-VIS ADMINISTRATIVE ACCOUNTABILITY: CONCEPTUAL FRAME

NATIONAL PARLIAMENTS or legislatures are the medium through which the peoples of different countries elect the executives and/or communicate their political opinions and criticisms regarding legislation and administration, that is the execution of laws and implementation of policies. Under the presidential type of executive, the legislature does not participate in the election of the executive, i.e., the president, but its role in law making and financial sanction is primary and pre-eminent. The parliamentary executive, on the other hand, elects the political executive; the powers of law making and financial sanction, however, remain intact with it.

Administrative accountability refers to 'administration' comprising both political executive and permanent administrative personnel. Accountability is the responsibility of the executive to give answer to the representative body of the people, whether they have followed the laws, rules and resolutions of the representative body, i.e., the parliament or legislature, and if not, in which respects and why. Without this power of calling the executive to give account of their fulfilment of the mandate from the legislature, the representative body would not realise its own mandate from the people, that is the electorate, who are ultimately sovereign in the country. The power of administrative accountability is asserted by the parliament/legislature through the medium of pre-legislative as well as post-legislative processes. During the pre-legislative phase of administrative accountability 'rules' of general application to situations, matters or issues arising in the country on the adoption of the 'rules' are discussed by the legislators and adopted by the house or houses as the case may be. The pre-legislative phase or part of the assertion of the power of administrative accountability is the direct and genuine exercise of the supremacy vested in the legislature. The power of legislative approval includes within its



ambit legislation on finance, i.e., taxation and appropriation acts, and resolutions of wide import and applicability. The power of post-legislative administrative accountability is applied through the medium of scrutiny and checking of accounts of taxes assessment and collection and expenditure as also implementation of legislative and executive policies. It also includes suggestions indicating corrective or remedial measures. The post-legislative phase of administrative accountability is the indirect and less real mode of assertion of supremacy. The obvious ground on which the last word during and regarding this phase rests with the executive is the vesting of the constitutional responsibility for the execution of the laws, rules and resolutions adopted by the legislature in the executive. The status of the legislature in the country's polity would however be determined by the power of the legislative sanction exercised by the legislature as by the respect shown by the executive to the legislature's power of post-legislative scrutiny of implementation of policies approved by it and of financial administration.

Committees of parliament or legislature facilitate the exercise of the power of administrative accountability during the pre-legislative and post-legislative phases vested in it by constitution of a country. Committees are conducive to detailed, thoughtful and informed consideration of the matters relating to law making and policy implementation. Their effectiveness depends upon various factors: the time afforded for their discussions, the expertise available among the members and the legislature secretariat staff, longer experience in the committees for the members, the prestige of the chairmen, and regard shown to their recommendations by the executive. The committees would not carry influence and bring influence to functioning of the legislature unless the legislature itself is vested with and exercises adequate authority vis-a-vis the executive. A legislature can do without committees, of course, at the cost of effectiveness of its functions. But a legislature even with a system of committees not equipped with the necessary complement of powers and requisite infrastructure of expert staff would be a structure without a substantial capacity of delivering the expected output of functions.

Scholars of the political analysis school look to the legislatures as institutions contributing to the process of integration of the national political systems in the first phase, and the legislative committees in the next.<sup>1</sup> This characterisation of the legislatures and their committees would not be disputed. Nor would the statement that a well developed legislative committee system is associated with industrialised nations<sup>2</sup> be contested. The legisla-

tive function of law making has declined in significance in comparison with the other functions even in well established polities in the west. The main issue in this context is the perspective within which the salience of the legislative committee system should be viewed. The salience of the legislative committee system would certainly depend upon a viable legislature. But whether the legislature would be viable at the cost of a viable executive is the issue to be resolved. The strength and durability of a political system could be sustained only with a well coordinated relationship between a viable executive and a functionally operative legislature. From this point of view outlining of a typology merely of legislatures such as inchoate, truncated, inhibited and true<sup>3</sup>, would not suffice. An appropriate typology on the basis of the extent of coordination between the executive and the legislature facilitating the emergence of a viable political system would have to be delineated. The compulsions of fulfilling democratic norms would be the most significant factor to be taken into account in drawing up this typology. Soviet Union has been evolving an active legislative committee system, but within the parameters of an authoritarian one-party regime. Until the fifth republic, France had a Zestful, extremely assertive legislative committee system but it forayed into the rightful domain of the executive, which made it weak and ever tottering. The U.S.A. and Britain were the only polities which with two varying types of executive could evolve workable executive — legislature relationship contributing to the sustenance of viable political systems.

#### ESTIMATES COMMITTEES ABROAD AND ADMINISTRATIVE ACCOUNTABILITY

Estimates committee figures with public accounts committee in some of the parliamentary democracies. These two together with committee on public undertakings or public enterprises constitute the legislative financial committees. Besides these three financial committees parliaments in different countries have set up other standing committees to take care of other matters. The committee system in the legislatures, thus, comprises of the following types of committees : (1) legislative (these may take the form of select, i.e., ad hoc committees as in Britain, while in France now and in the U.S.A. bills are referred to subjectwise standing committees), (2) financial (as mentioned above) (in some countries they are titled as 'finance and economics', 'budget' or 'expenditure', etc.); (3) control, watchdog or supervisory (such as the Government assurances committee in Indian parliament or the committee in France supervising public enterprises); (4) acting as public forum (the

petitions committee of Indian parliament is an example); and (5) house proceedings and establishment (Business advisory committee, library committee, accommodation committee in Indian parliament are the illustrations). Besides these committees, legislatures constitute adhoc including inquiry or investigative committees.

A comparative study of the estimates (or expenditure) committees in the different political systems indicates these prominent types or categories.<sup>4</sup> To the Indian parliament and the legislatures in the states of the Indian Union the estimates committee alongwith the two other financial committees of the British House of Commons provided a model. It is also followed by most of the old British commonwealth legislatures like Canada and Australia. The second prototype is delineated by the finance committee of the French parliament under the fourth republic. Like its other standing committees the finance committee acted as a stormy petrel of the rights and privileges of the French people, often clashing with the executive. The third pattern is again furnished by France under the fifth republic. The finance committee of the make of De Gaulle's constitution is a weak child of the new French parliament which itself is shorn of its old powers and status. The fourth type is indicated by the US. Appropriations Committees of the House of Representatives and the Senate. It is a distinctive type serving the requirements of a presidential polity marked by the embodied doctrine of separation of powers or functions.

All these four patterns contain in them counter advantages alongwith strong points from the point of view of a proper coordination between the executive and the legislative branches to facilitate a coherent and integrated functioning of the political system. The expenditure committee (earlier captioned 'the estimates committee') is unable to cope up with the volume of estimated departmental expenditures with the result that its effectiveness has been devalued by no less a person than a chairman of the committee in 1976 in the statement that "the House of Commons is failing in its primary duty, which is the control of the executive through control of the purse".<sup>5</sup> The balance in the British pattern of the committee seems to be in favour of the executive, so the administrative accountability is asserated by it only partially.<sup>6</sup> In the French finance committee under the fourth republic, on the other hand, the committee, like all other parliamentary committees or 'commissions' as they were called, was designed to provide an alternative parliamentary leadership, failing continuous and stable leadership by political parties or executive leadership.<sup>7</sup> The system resulted in delayed legislation including financial and loss of coherence between the executive and the legislature. It was nevertheless very

effective in terms of realising administrative accountability of the ministries. The finance committee in the fifth republic has lost the initiative and power of administrative accountability to the supremacy of the executive.<sup>8</sup> The U.S. Congress appropriations committees have proved to be the strongest instrument of the U.S. Congress for fulfilling administrative accountability of the presidential executive. But the modus operandi and the mode of the committee's conduct are suited to a political system based on the doctrine of separation of powers. It has, therefore, been subjected to the prime criticism that its working has led to ineffective programme planning on the part of the executive<sup>9</sup> and inadequate coherence between the actions of the executive and the proceedings of the legislature.<sup>10</sup>

The expenditure committee (replacing the estimates committee in 1971) of the British house of commons was a select committee. The strengths of the political parties in the house were reflected in the composition of the committee. The membership was 49 in number. The committee elected its own chairman. Six sub-committees were formed. This facilitated a detailed consideration of the estimates. The most important shortcoming of the terms of reference of the committee was that estimates of expenditure as presented to the house were examined by the committee ex post facto that is after they were approved by the house. This negated the influence of the committee on the public spending. An argument in favour of this limitation on the committee's terms of reference emphasised a detailed scrutiny of the proposed expenditure by the departments and the treasury. So the main focus of the committee was the possibility of economy and efficiency by reducing waste in expenditure. Administrative organisation, methods of disposal of work, procedures, form of estimates were the other foci of attention by the committee. Policy as laid down by the parliament, if not party policy or high policy, did no doubt govern the thinking of the committee in the examination of the estimates. The committee was empowered to call official witnesses (but not ministers as the committee was essentially concerned with the control of the administration), record their evidence and ask for official documents. The committee's reports were discussed in the house.<sup>11</sup> The departments' and the treasury's replies to the committee's reports were placed on the table of the house. A drawback in the organisation of the committee was absence of expert assistance among the parliamentary staff. Latterly, the committee could avail of a few outside advisers.<sup>12</sup> A tendency was seen among the members to prefer to continue on the committee year after year.<sup>13</sup> This would have developed specialisation among them. Senior backbenchers evinced an

inclination to opt for serious studied work on the committee, as the discussion in the house on questions veered round party lines. Opinions among the scholars on the impact of the committee's work seemed to be divided. Thus, K.C. Wheare described the committee's deliberations as "an effective method of making the government behave."<sup>14</sup> U.L. Hicks observed that the committee could play a useful part in drawing attention to waste and inefficiency in the public services of a kind that previously tended to slip through the meshes of the control machinery because it might be too closely related to policy to be within the scope of administrative control.<sup>15</sup> Later opinions expressed in the seventies were critical of the outcome of the committee's work. J. La Palombara, an American scholar, writing in 1974, opined: "Antispecialization is reinforced by the feeling that party discipline should be strong and that parliament exists not so much to make rules or policies as to pass on them when proposed by the government."<sup>16</sup> M. Beloff and G. Peele, British scholars, doubted how far this apparatus represented an advance over the pre-1971 estimates committee.<sup>17</sup> The expenditure committee was abolished in 1979 along with some other select committees and its functions were merged in those of a dozen or so standing committees for different ministries.<sup>18</sup>

Under the fourth republic, the French assembly had the subject of finances allocated to one of the 19 standing subject commissions. The finance commission, like the other parliamentary commissions in France, had in its favour certain factors, which made it a powerful instrument with the parliament influencing the decisions of the executive: Long tenure of the members in the commission, the directing role exercised by the president and the rapporteur of the commission both in the proceedings of the commission as well as in the initiation of the bills and later discussions in the assembly, and the leadership role the commission's members assumed due to the numerous parties in the assembly and the weak leadership provided by the executive. The situation underwent a drastic change under the fifth republic. The size of the membership of the finance commission like other commissions is large, in this case 60. It was difficult for the parties to assert through the large number of members. The rapporteur invariably belonged to a ruling party; he would manage the commission's deliberations to suit the needs of the executive. The commission could not reduce expenditure or increase taxes, only government was authorised to do so. A limit of 40 days was stipulated for the clearance of the finance bill from the chamber and 70 days in all from the parliament. Unlike in the fourth republic, in the fifth republic, the principle of the bills is first adopted by the parliament and then they are remitted to the

commissions. This reduced the scope of the changes in the bills in the commissions. Thus, the French parliament and its commissions have now lost the initiative in respect of bills, including financial bills, to the executive.

Thus U.S congressional appropriations committee (of the House of Representatives and the Senate) are a paragon of preeminent authorities in this respect dictating its own terms to the president. Through these committees the Congress exercises administrative accountability during both the prelegislative and post-legislative phases. The final shape of the appropriations is determined decisively by these committees, notwithstanding the considerate appellate role of the senate committee over the reductionist role of the house committee. The committees implicitly review the past year's performance in processing the next year's appropriations. The deliberations in the programme committees are helpful to the decisions of the appropriations committees. Longer terms of the members, expertise and investigative staff available to the committees, the specialisation afforded to the members of the sub-committees, the positive role played by the committees' chairmen and the minority ranking members in getting the recommendations of the committees through the house and the senate, access to the officials in the presidential administration through their evidence and interrogation, and the help of a variety of official documents, ordinary and confidential : all these factors fructify the deliberations of the appropriations committees of the U.S congress. They thus control not merely the detailed appropriations of the executive but the policies underlying them very effectively. The house appropriations committee has, therefore, been rated as the first preference among the different committees by the representatives.<sup>19</sup> The modus operandi and the decisional outputs of the committees are obviously suited to the presidential polity embodying the principle of separation of power.<sup>20</sup>

#### INDIAN ESTIMATES COMMITTEES : RATIONALE AND MODUS OPERANDI

The decision in India by its provisional parliament to have an estimates committee was obviously influenced by the example of the estimates committee in Britain. An initiative in the matter was evinced in the late thirties by the opposition in the central legislative assembly but it was negated by the British government. After independence the provisional parliament acted upon the suggestion in this behalf contained in a memorandum by the secretary of the constituent assembly (Legislative).<sup>21</sup> The suggestion favoured the establishment of such a committee in Indian parliament on two

explicit grounds, of paucity of time with the whole house for a detailed examination of the estimates of the expenditure and lack of the necessary expertise among the members of the house. The suggestion was strongly supported by Speaker G.V. Mavalankar and accepted by the government. Consequently, the first estimates committee was elected by the provisional parliament on April 10, 1950.<sup>22</sup>

The functions of the estimates committee of the Lok Sabha as revised in 1953 are as follows:

- (a) To report what economies, improvements in organisation, efficiency or administrative reform, consistent with the policy underlying the estimates, may be effected.
- (b) To suggest alternative policies in order to bring about efficiency and economy in administration.
- (c) To examine whether the money is well laid out within the limits of the policy implied in the estimates.
- (d) To suggest the form in which the estimates shall be presented to parliament.<sup>23</sup>

The main functions of the committee as laid down earlier in 1950 on its establishment were to examine such of the estimates as may seem fit to it and to suggest economies consistent with the policy underlying the estimates.<sup>24</sup> The functions of the estimates committee of the parliament (of the Lok Sabha) as revised in 1953 are thus wider in ambit than those of the British house of commons; the latter cannot suggest alternative policies. They are however not as comprehensive and wide ranging as the functions of the appropriations committees of the U.S congress. The functions of the estimates committee of the Lok Sabha are post-legislative but their sweep covers not only the existing policies of the parliament and the executive policies of the government, but also possible alternative policies. The scope of the power of administrative accountability of the Indian parliament is remarkable, particularly on the background of that of its prototype, the British parliament.<sup>25</sup>

During the period of the provisional parliament, 1950-52, the standing finance committee that had continued from the pre-independence years to examine new schemes of the departments involving more than Rs. 5 lakhs, coexisted with the newly established estimates committee. A few members of the parliament including a future speaker of the Lok Sabha urged in favour of the continuance of the standing finance committee. But their plea was not accepted by the government. The acceptance of the plea would have affected the primacy of executive in proposing its expenditure, and also the purview of the newly constituted planning commission.

Several states of the Indian Union have constituted estimates committees. But their functions are limited. The Maharashtra legislature estimates committee, for example, scrutinises the budget estimates of expenditure and supplementary demands, and tenders advice in respect of economy and efficiency in administrative matters consistent with the 'policy underlying' it<sup>26</sup> (emphasis mine). The budget estimates of the Maharashtra Government for the years 1976-77, 1977-78 and 1979-80 were scrutinised by the estimates committee before the estimates were adopted by the legislative assembly. The new procedure was introduced to make the budget discussions in the assembly more meaningful and fruitful and to keep the government machinery alert in the proper formulation of the schemes and their implementation in view of the reactions of the legislators.<sup>27</sup>

In terms of the systemic analysis the functioning of the Indian parliamentary system and of the estimates committee can be conceived in the form of charts given below to highlight the role of the committees in the parliamentary system (Chart I) and that of the estimates committee (Chart II).

The charts delineate the components of the system, the inputs which feed the system and the functional outputs of the system.

For want of space, it would not be possible to describe here in detail the modus operandi of the Indian estimates committees at the national and state levels. Nor is such a detailed description necessary for our purposes here.

The members of the estimates committee (30 in the case of Lok Sabha; and 29 in the case of the Maharashtra legislature, 23 from the assembly and 6 from the council) are elected by the legislators concerned by a system of proportional representation through single transferable vote. This method ensures the representation of the political parties and groups in the Lok Sabha/state legislature in proportion of their strength and in effect the reflection of their points of view in the deliberations of the committee. This ensures the absence of political opposition to government's policies in general. The chairmen of the Indian committees are appointed by the speakers of the respective legislatures, while in the U.K. they are elected by the members of the committees itself. The members of the Indian committees are elected every year, while those of the U.K. expenditure committee for the life of the House of Commons.

The main stages in the working of the estimates committees in India are: collection of materials on the selected estimates for a year from the ministries and departments, issuing of questionnaires to the concerned ministries and departments on the basis of the collected materials, recording of evidence of the official and non-



Chart I: INDIAN PARLIAMENTARY SYSTEM

Inputs		Outputs
(1) Council of Ministers	(1) The President	(1) Legislation
(2) National and Regional/ State Pol. parties (organisational wings)*	(2) Parliamentary/ Legislative Political parties & Independents.	(2) Control of the executive (through no confidence and adjournment motions)
(3) Interest & Pressure Groups*	(3) Rules of Procedure, Conventions and Informal Norms of Conduct of Proceedings	(3) Supervision of administration in policy making and policy execution
(4) People at large	(4) Committees	(4) Legitimisation of the polity and the government
		(5) Representation of the Electorate (i.e. the people) (through articulation of their grievances and particular demands)

\* These provide demands and supports.

Chart II: THE INDIAN ESTIMATES COMMITTEES AS A SYSTEM

Inputs	The Speaker	Outputs
Parties	The Chairman of the Committee	Recommendations
Pressure & Interest Groups	Members of the Committee of Lok Sabha/ State Legislature	
Constituents	Ministries'/Departments' officials	

official witnesses, discussion in the committee of the proposed contents of the draft report and its preparation, discussion of the draft report with the principal officials of the ministries and departments concerned, finalisation of the report and its submission. Verification of the facts contained in the draft report from the ministries/departments concerned and the finance ministry is also done here which is not done in the U.K.

The Indian parliament's estimates committee operates through subcommittees and study groups. For a long time since its inception only one sub-committee, on defence, existed. The mechanism of sub-committees and study groups facilitates a detailed examination of the estimates of expenditure selected for scrutiny by the committee. The reports of the sub-committees and study groups are discussed by the committee before incorporating them in the committee's report. At the level of the states also study groups are formed by the committees, which help them in covering in detail certain aspects of the activities of the departments selected for scrutiny by the committee.

The principal lacuna in the functioning of the estimates committees in India is the absence of expertise available to the committees from the parliament's/legislature's secretariats or from outside. In the U.K. also this was considered by scholars and politicians as a drawback in the extent of knowledgeability in the discussions and reports of the committees. Recently to the U.K. expenditure committee outside advisers are made available, which has partly remedied the defect.

Governments in India are free to decline the availability of confidential documents to the committees. Such contingencies are got over through mutual discussions. But if the governments are firm, in the last report the speakers can intervene. In the U.K. the house settles the issue in such cases of conflict.

Minutes of dissent do not figure in the reports of the Indian committees. The prevalence of dissenting views is mentioned in the reports without citing of the names of the members concerned. Of course, unanimity in reports is desired.

In India, reports of committees only are submitted to the house without the accompaniment of the written documents furnished by the ministries and departments and the minutes or gist of the oral evidence. In the U.K. all these accompaniments are submitted to the house and published alongwith the committee's reports. This practice naturally is more conducive to public education.

The Indian committees' reports are not discussed in the house. Latterly, in the U.K. they are discussed. But in both India and the U.K., members of the house are free to raise the matters contained

in the committees' reports through the media of questions, motions, discussion on the budget, etc.

The reports of the action taken by the governments on the Indian committees' reports are placed on the table of the state legislatures and parliament. The committees discuss these reports with the officials and try to press their points of view to the government. In the U.K. the government conveys its actions of the expenditure committee's report through a minute which the house has started discussing recently. No doubt, the other usual modes of discussion are available to the members of the British house of commons. The previous disparity in this respect between the procedures followed in India and Britain does not exist now.

#### INDIAN ESTIMATES COMMITTEES : WORKING AND EVALUATION

The objectives underlying the recommendations in the reports of the parliamentary estimates committee can be classified as follows: The largest number of its recommendations deal with organisation of ministries and departments of their subdivisions or of the functions discharged by any of these. These have been recommended upon by the committee with a view to promote the objectives of efficiency and economy, and laying out 'money', i.e., expenditure of the government in a better manner to advance the above objectives. The recommendations purporting directly at economy, i.e., saving are few and far between. This primary objective of the constitution of the estimates committee emulated from its British counterpart has, therefore, not figured so much in the deliberations and recommendations of the committee. The objective of advising on the form of estimates is also implied in few of its recommendations. The policy aspect, involving either examination of the existing policies or judging alternative policies, has been kept in forefront by the committee in considering the working and performance of the ministries and departments and their sub units. Along with the policies of the parliament the executive policy has also been deliberated and commented upon by the committee. In fact, it is very difficult to separate the two. Since 1953 the scope of the coverage of the committee's work has widened immensely. Considered that way, in comparison with the scope of the working of the legislative committees on the subject of estimates or expenditure in parliamentary democracies of the world, the scope of the Indian estimates committee is the widest.<sup>28</sup> But, in terms of the impact on the government's expenditure policy, the performance of the appropriations committee of the U.S. Congress has been the most impressive. In the United Kingdom, it was recently (since 1971) that the policy

and planning objective had been kept in view by the expenditure committee.<sup>29</sup> Now the expenditure committee stands abolished since 1979, and expenditure aspect is one of the aspects of the working of the newly set up ministry committees.<sup>30</sup> As the experiment is new, it would take some more time to judge its outcome.

Since the second Lok Sabha, the subordinate agencies and attached offices and different aspects of the functions of the ministries and departments have engaged the attention of the estimates committee.<sup>31</sup> From the mid-sixties the public undertakings have been the care of an independent committee.<sup>32</sup>

The output of the parliamentary estimates committee has been enormous. During its life of 25 years, 1950-1975, it produced 566 reports. It was calculated that 70 to 80 per cent of its recommendations were generally accepted by the government.<sup>33</sup> During the first 7 years, 1950-57, 57 original and 11 follow up reports were submitted. During the term of the second Lok Sabha, 1957-62, 172 reports (including 93 original and 79 follow up) were submitted; that is, the output during this period was two and half times that during the initial seven years. During the period of the third Lok Sabha, the output declined to 113 reports (54 original and 59 reports on action taken by the government). During the term of first 3 years of the fourth Lok Sabha the output went up to 126 reports (52 original and 74 action taken).<sup>34</sup> During the fifth Lok Sabha 102 reports were submitted. Lately, the number of follow up reports submitted has exceeded the number of original reports, possibly due to the belated receipt of government's action taken reports.

Table 1<sup>35</sup> gives a synoptic view of the activities of the estimates committee during the fifth Lok Sabha.

Some of the committee's recommendations not accepted by the government may be on important aspects of the working of the ministries and departments. In regard to about 20 per cent of the total recommendations of the committee's earliest 39 reports the view of the committee and the government was irreconcilable.<sup>36</sup> For example, most of the committees' recommendations regarding the Planning Commission were not accepted by the government.<sup>37</sup> The committee's recommendation in favour of assigning the subject Union territories to a separate ministry was also not accepted by the government.<sup>38</sup> Again, the government could not create training facilities for the junior engineers, in CPWD.<sup>39</sup> Obviously, a mere enumeration of the committee's reports accepted by the government does not give a clear idea of the impact of the Committee on government's policies in crucial matters.

The ambit of the functions of the estimates committees of the

# Estimates Committee and Accountability

Table 1 ACTIVITIES OF THE ESTIMATES COMMITTEE DURING  
FIFTH LOK SABHA

Activities	1971-72	1972-73	1973-74	1974-75	1975-76	1976
Number of reports presented	20	24	22	23	23	-
No. of sittings held	73	69	76	44	53	47
Durations of sittings (in hours)	179	139	164	85	104	120
No. of pages of material studied	16,920	11,138	14,246	9,804	17,560	11,950
No of sub-committees/ study groups constituted	8	8	8	8	8	8
No. of establishments/organisations visited during tours	31	107	80	82	79	79

state legislatures in India is less wide than of the functions of the parliamentary estimates committee. The hours of sittings of the committee and the output of its reports also seem to be less marked in the case of the state level estimates committees. The reasons for their relatively less impressive performance are the short tenure of most of their members (1 year) and absence of expert assistance (the latter factor existing also in the case of the parliamentary estimates committee).

But, even then, the subjects covered and the recommendations mooted by the state level estimates committees are diverse and many. This stands to the credit of the inquisitiveness and exertions of the committees' members, may be they are few of the total membership of the legislatures. During the recent period 1975-80, the subjects covered by the estimates committee of the Maharashtra legislature were in agriculture, supply of co-operative credit, irrigation, rehabilitation of project affected persons, land development, animal

husbandry, monopoly cotton procurement scheme, etc.; in industrial development, district industrial centres, financial assistance to small scale industries, Maharashtra industrial development corporation, Maharashtra state electricity board, etc., the implementation of labour legislation; the employment guarantee scheme; and budget matters like performance budgeting.

During an earlier period, a scholar reported, the Maharashtra State Government's response to the Committee's recommendations was not uniform. As far as its recommendations on industrial decentralisation were concerned the government tried to execute them over a prolonged period. On the other hand, the recommendations on the irrigation facilities were implemented wholly. The committee was, however, disconcerted to find that the state department of industries did nothing about its suggestion to take an industrial development survey of the state.<sup>40</sup> A very recent recommendation of the Maharashtra state legislature estimates committee to impart training in the upkeep of village revenue records to the Talathis (village revenue officials) was implemented by the government. Moreover, the government augmented the staff of Talathis and also carried out a crash campaign for a month to update the village revenue records.<sup>41</sup> The Rajasthan legislature estimates committee's important recommendation to abolish the office of commissioner was implemented by the state government.<sup>42</sup>

Opinions regarding the effectiveness of the parliamentary estimates committee in India have varied from non-performance of the originally conceived role as an economy committee on its part to assertion by it of constructive leadership in financial and administrative organisation and management of the government.<sup>43</sup> Unanimity has, however, prevailed on the deterrent effect of the estimates committee on the administrative tendency to extravagant and wasteful expenditure, red tapism, delay in execution, official callousness, indifference, inaptitude, etc. Thus, in the pre-legislative phase the estimates committee's power of administrative accountability by way of scrutiny of the budgeted estimates before their passage in parliament and the consequent saving of proposed expenditure, has been non-existent. In Britain, in the beginning, this power was exercised but later on due to the paucity of time this pre-legislative scrutiny of the estimates ceased to be operative on the scale originally intended. In India, the pre-legislative power of administrative accountability of the estimates committee was not conceived at all from the inception of the committee itself. However, the estimates committee has asserted, and asserted effectively, the post-legislative power of administrative accountability vested in it by the parliament in agreement with the government. The original

terms of reference before 1953 constricted the scope of its functioning to examining the administration of expenditure with its organisational implications from the point of view of economy only. The extension of its teams of reference in 1953 has widened the ambit of its enquiries to include not merely existing policies but to the exploration of alternative policies also. To investigate the impact of the policies on economy and efficiency of expenditure the committee has travelled far and wide in its investigations to traverse the organisational, procedural and functional aspects of administration. In 1958, due to the committee's criticism in its twenty-first report of the composition of the planning commission the government was upset and asked the law minister to undertake a comparative study of the working of the estimates committees under parliamentary democracies in different parts of the world. The prime minister wrote to the speaker of the Lok Sabha who in turn discussed the matter with the then chairman of the committee. But this did not affect the extended terms of reference of the estimates committee.<sup>44</sup>

To strengthen the post-legislative power of administrative accountability of the estimates committee it is abundantly essential to make expertise available to it. The Lok Sabha secretariat presently does not have in it experts in efficiency audit or in different functions of administration. Experts in the departments are naturally the custodians of the interests of the departments. It would, therefore, be necessary to induct experts in various functions of public administration and also cost and efficiency experts<sup>45</sup> into the parliamentary secretariat to place their services at the disposal of the estimates committee. It is feared that these experts would be top heavy and dominate the common sense layman's thinking of the members of the committee. In the U.S.A. the presence of such experts does not obstruct or dilute the layman's political thinking of the congressmen. Then how the induction of such expertise in the Indian committee would blur the common sense political thinking of the committee's members is problematic. The administrative reforms commission recognised the need of "some organisation or group of experts to review and evaluate results, cost, efficiency and other aspects of performance",<sup>46</sup> for a new performance committee comprising of the two wings respectively in charge of the present estimates committee and the committee on public undertakings. Neither the parliament nor the government accepted the A.R.C.'s recommendation for the setting up of the new performance committee in place of the estimates and public undertakings committees. But, the A.R.C.'s recommendation to induct an organisation or group of experts to assist the estimates committee

is a valid one. The experts to be inducted should, however, be not merely those in cost and efficiency but also in various functions of administration. The establishment of the Auditor General is too busy to afford any time or staff to help the estimates committee in this behalf. A suggestion has also been mooted to appoint a statutory office titled 'Examiner of estimates' or 'inspector general of accounts'.<sup>47</sup> But it is not necessary to create a new establishment altogether, what is required is a staff of functional and cost and efficiency experts at the sole disposal of the estimates committee.

Proposals have also been debated to reconstitute the standing finance committee and to create standing committees for different ministries. As far as the standing finance committee is concerned, it served till 1952 the limited purpose of new spending proposals above a certain limit. Such a committee would not be of much use now. The planning commission, various ministries/departments and the finance ministry have all through been engaged in examining the worthwhileness of expenditure proposals of various functional contents and financial dimensions. Before independence, in the first place, expenditure proposals of large size were few, and the S.F.C. was the only mechanism with the central legislative assembly to review financial proposals. After independence the parliament has at its disposal various modes of criticism of the administration including the financial aspect, which comprise inter alia the existing financial committees. The proposal of the standing committees attached to various ministries is an independent one and deserves to be considered on its own merits. The present estimates committee has been performing one of the functions of the mooted standing committees.

A question is often debated whether the pre-legislative power of administrative accountability could be exercised by the estimates committee through the examination of the budget estimates before the discussion and adoption of the estimates by the house, so that the committee's suggestions are available to the house for consideration. Only once, during 1956-57, such an opportunity was afforded to the estimates committee. The railway budget of 1956-57 was presented to the parliament on February 23, 1956 and the report of the estimates committee on the railway budget was placed before the house on March 12, 1956. This left very little time for the house to discuss the railway budget in the light of the estimates committee's report. In the Maharashtra legislature, the pre-legislative scrutiny of the budget estimates by the estimates committee was instituted for the budgets of 1976-77, 1977-78 and 1979-80. The experiment was too short to indicate firm conclusions. But the



committee could make its suggestions available to the legislature so that the discussions could become realistic and more meaningful. The pre-legislative scrutiny of the budget estimates by the estimates committee and the consideration of its suggestions by the parliament/state legislature before their discussion and adoption by it does not seem possible at the present juncture unless the budget estimates are presented six months before the end of the current financial year or a vote on account is approved for the expenditure for four to six months of the financial year to which the estimates pertain.

However, the execution of the cognate proposal of discussion of the reports of the estimates committee, at least their gists, is feasible. In the UK, where it was not allowed earlier, it has now been adopted for the last few years. Two to three days could be allotted for the discussion of the committee's reports during each session of parliament. Such discussion would highlight the salient recommendations of the committees and ventilate members' views on them. Besides, such discussions would be highly educative for the public at large. The discussions would also press the government to take early steps to implement the committee's crucial recommendations. It is feared that some of the committee's recommendations might evoke antithetical opinions from the ruling party members, and thus vitiate the non-partisan character of the working of the committee. A convention should, therefore, be established that the government would stand by the unanimous recommendations of the committee in the house.

Certain suggestions have been offered to streamline and activate the working of the estimates committee. These deserve a positive response from the parliament and the government. Publication of the oral evidence of the witnesses before the committee as well as the research materials furnished to it would be highly educative for the legislators, scholars and others interested in them. Even spreading out of the work of the committee including report drafting and submission, throughout the year curtailing the size of the reports, and most important, longer tenure for the chairman as well as members, are some of these suggestions.

Legislators act in a double capacity : as delegates of their constituencies and as representatives in own right. As delegates they articulate the grievances and views of their constituents in the parliament/legislature and its committees. As representatives they participate in legislating, controlling and supervising the executive, and house keeping. Committees, like the parliament would not be active and dynamic organisations unless their members are conscientious, active and zealous in discharging their responsibilities.

ties and functions as legislators. The power of administrative accountability is vested in the Indian parliament and the state legislatures. It would be actively operationalised only with the ever active participation in its exercise by their members.

In the body of article we have delineated a typology of the estimates/expenditure committees on the basis of the criterion of proper coordination between the legislature and the executive. The foregoing discussion would, it is hoped, indicate the broad lines on which this coordinated executive-legislature relationship would be activated in the Indian polity, without affecting the coherent and integrated functioning of the executive, through the exercise of the power of administrative accountability by the estimates committees at the levels of the Union parliament and the state legislatures.

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Institutional Model	<u>Level of Economic Development</u>	
	Developed	Less Developed
British Parliamentary System	Great Britain, Canada	India
Hybrid	-	Lebanon, Kenya, Chile
American Congressional System	U.S.	Brazil, Philippines

4. Besides these four countries, the following are some of the countries which have committees with the same or related functions. An expenditure committee was to start functioning in Australia in May, 1976. The Australian senate had 5 estimates committees to examine the annual and additional estimates. In Italy the standing budget committee in the lower house and the treasury and finance committee in the upper house exercise the

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# The Functional Accountability Syndrome in Criminal Justice Administration

V. N. Rajan

IN DISCUSSING the accountability of any administrative system, one should first ask the question, accountability to whom?. The answer to that question depends on the form of government prevalent in a given society. Under authoritarian government, accountability is to the ruler. In a democratic social welfare state like ours, accountability is to the ruled. The discussion that follows is a critique of the existing criminal justice administration in India from that criterion and to focus attention on the perception of reality in that sphere.

A deputy inspector general of police is shot dead as he is getting out of a place of worship after prayers and the assassins escape into that place of worship. The Indian criminal law on the subject is crystal clear. The code of criminal procedure makes no difference between a public road, a college campus or the precincts of a temple as far as the powers of the police are concerned. Substantive law has been buttressed by case law which stipulates not merely the permissibility of the police to enter any such holy precincts with a view to search for and arrest the assassin but emphasises the mandatoriness of such action. Yet, here we see the pitiful sight of permission being 'withheld' from the police to act in the manner laid down by the law. In another part of the country, a divisional commissioner who goes to his office and occupies his seat is blown to bits by explosives concealed beneath his chair. The accused persons who are already on bail in other serious offences, are arrested in that case and again released on bail by the court. In a third state, a passenger gets down from a bus on arrival at his destination and takes his baggage to be carried home. A labourer appears at the scene, threatens that it is his right to carry the passenger's baggage for him and claims payment. The police on duty at the bus station turn Nelson's blind eye to the incident and are not prepared to help the passenger to assert his right to carry his own baggage. If, under these circumstances, the citizen feels that functional accountability is at a discount in

criminal justice administration, how is he at fault?

#### INTERFERENCE IN TRANSFERS AND POSTINGS

It is in the police departments of state governments with their structured system of graded responsibility that functional accountability has taken the severest drubbing. Its worst manifestation is seen in the field of postings and transfers right from the level of the head of department down to station house officer. The hierarchy functions on the strength of statutory powers and delegated powers. Whenever the political executive, once it is elected, forgets that it exercises the powers vested in it by virtue of the constitution 'for all the people', irrespective of party affiliation, and prefers to be partial between different segments of the people based on political considerations, it lays the foundation for the erosion of the rule of law. When it expects and demands partiality in action from those in charge of the maintenance of law and order and in that context a conscientious officer refuses to compromise on principle, he invites the wrath of the lower echelons of the political hierarchy who cannot tolerate his continuance in his position of authority -- there the principle accepted by all Indian politicians is: "Those who are not with us are against us". Hot lines of communication get busy immediately to replace the officer. Since the minister concerned is more bothered about maintaining the support of his party minions than about ensuring fair and impartial administration, an oral order goes to the head of the department or his deputies to transfer the inconvenient officer. Most heads of departments oblige the minister since they want to get along and careerism has taken the place of professionalism in every government service in India. If an odd departmental head demurs, the axe falls on him.

A brief case history of an inspector general of police, who refused to give in to the blandishments of the political executive and had to pay for it by being deprived of his command, illustrates the point. It typifies the corrosion of functional accountability in a vital sphere of criminal justice administration.

Transfers of sub-inspectors and inspectors are done by deputy inspectors general of police and inspector general of police respectively in almost all states under powers delegated to them by the state governments. Up to about 1957, the interference of the political executive with such delegated authority was not much, though it was not unknown. But thereafter it started increasing. In the seventies, it became a flood tide. The inspector general of police of a state in southern India drew the attention of the minister to the damage it was causing to the administration and to

the public weal by such frequent transfers ordered by him orally and issued by IGP under his signature. Soon after the minister gave him three lists of 31, 22 and 80 officers to be transferred. The IGP met the minister personally and spelt out for his benefit (he had been a minister for just 3 months) some well-known principles regarding transfers and postings.

These principles were given because he had been receiving complaints from superintendents of police and deputy inspectors general of police that when transfers were ordered on a large scale by government or by inspector general of police, as desired by the home minister, it became difficult for them (SPs and DIGs) to hold their subordinates functionally accountable for the lapses and omissions in their work of crime control and maintenance of law and order.

The pressure groups which clamour for transfer of officers have no responsibility to ensure efficient administration. They are concerned only with their local interests and the readiness or otherwise of any subordinate officer to stretch his conscience and tow their line in any given case or situation. The argument of the SPs and the DIGs was a legitimate one and it had to be given due weight. The IGP added that such transfers would demoralise the force, dissipate the working capacity of well-meaning officers who had no political wires to pull, cut at the root of functional accountability, and ruin the criminal justice administration. The IG also said that if there were allegations against any of them he was prepared to have enquiries conducted and deterrent action taken. The minister's reply was that there were no allegations but political considerations actuated his request.

The pressure from the minister to effect those transfers mounted. A suggestion from that IGP that the minister issue the orders of transfer under his own signature and authority was not accepted. Apparently the minister did not want to own responsibility but desired to achieve the result through back-seat driving.

The IGP was sounded if he was agreeable to proceed on leave. He flatly refused. So a special post was created equivalent to that of IGP and he was relieved of his command as head of the police department. This is a typical instance of the principle of accountability being sabotaged in an important branch of criminal justice administration.

#### PROBLEMS OF COURT CASES

Let us now turn to another sphere of criminal justice administration in which functional accountability has suffered by default. It



is reported in one particular state, the police have not been chargesheeting large number of cases for 5 to 6 years. Yet no one has bothered to find out what has prevented them from doing so. Is it caused by an omission on the part of the police to submit final reports to courts in cases which have been referred as undetected? Or is it because of the inability to arrest the accused persons? Is it the result of faulty court records? Or is sheer inertia, on the part of the police, responsible for such unconscionable failure? One is at a loss to know why.

Several lakhs of cases are said to be pending trial, large numbers of them being several years old. This is especially true of the states on the gangetic plain. No analytical study of the state of affairs on a countrywide basis has been undertaken because there is no infrastructural machinery attached to the courts of law for conducting such a study. One empirical analysis of the causes of pendency of cases in session courts and below in the union territory of Delhi was conducted by the Institute of Criminology and Forensic Science in Delhi in 1981 and its conclusions indicate the need to streamline procedure with a view to speed up trials, the desirability to have a vigilance machinery to curb corruption at lower levels in courts, the essentiality of infrastructural improvements, like copying machines for courts, increasing number of courts, and establishment of a regular research wing to deal with these problems on a continuous basis.

One of the worst abused provisions in our criminal law, which cuts at the root of the functional accountability of criminal justice administration, is the termination of a criminal trial by the exercise of the power of the executive to withdraw a case. There are instances galore of criminal cases pending trial being withdrawn at the instance of political executives in the states. Such withdrawal petitions submitted by prosecutors in courts at the behest of the state governments make a mockery of the law. Strictly speaking, it is open to the magistrates to refuse or give sanction to such withdrawals but, in practice, hardly one-half of one per cent of the total number of magistrates in India exercise their power in this connection in such cases.

#### AGITATIONAL POLITICKING

Agitations are the order of the day. Once an agitation starts, violation of the law and destruction of public property are resorted to by the agitating parties with a view to get their grievances, real or imaginary, redressed. The police necessarily have to arrest the law breakers in such cases and take action as laid down by the

law of the land. Most agitations are withdrawn on the interference of political executives and invariably one of the conditions in arriving at a modus vivendi leading to withdrawal of agitations is withdrawal of the criminal cases registered in that connection. This amounts to laughing at the law enforcement machinery and results in a colossal waste of time and effort of the functionaries of the criminal justice system. Worst of all, it breeds caprice in the mind of every one connected with the system. Once it becomes known that it is the policy of government to withdraw such cases, the enforcement officers become lukewarm to the idea of arresting mischief makers in future similar situations. Some of them go further. They avoid going to meet such situations. That is how shirking is actively encouraged by either a lack of policy or by the adoption of policy based on expediency instead of principle. That is again how many officials have become adept at passing the buck to someone else and remaining functionally unaccountable.

Another aspect of agitational politicking is the wanton destruction of public property. Why should not the restitution of the property lost by such vandalism be made the responsibility of the organisational leaders of such agitations? It is a relevant matter for policy planners of criminal justice to ponder. But it cannot be done without at least an approximate assessment of the quantum of damage done each time there is an agitation. Victimological surveys of a few agitations will help bring out the staggering losses which the nation suffers. This is a matter which a revived criminal justice policy has to take into consideration in order to improve the system's accountability to the citizen.

#### DELAYS

A problem which has been engaging attention of perceptive minds is delay in the administration of criminal justice. It deserves an analysis in depth.

An alarming feature in the functioning of the criminal justice system is the steady deterioration in the quality of medico-legal advice made available to the courts of law. In the medico-legal cases involving violence of which on an average there are now thousands in the whole country per year, the promptness and conscientiousness which used to exist during the 50s of this century seem to have become totally out of fashion. Three decades ago, the issue of a wound certificate by a medical officer who attended on a patient used to be done within a matter of 48 hours and it needed no special prodding from any agency. Now, on the other hand, it is none too uncommon to find the issue of wound

certificates being delayed by several months, even in simple cases in which a second opinion from the chemical examiner after examination of the contents of viscera or stomach wash is not necessary. Strenuous efforts on the part of station house officers to get these certificates from the medical doctors seem to produce no effect whatever. In many states, the matter has received attention at the highest administrative level and state governments have issued directions to the directors of medical services asking them to pull up their subordinates but to no effect, since they have not been followed up by punitive disciplinary action against erring subordinate medical personnel. The magistrates and the police officers are helpless in the matter. The higher police officers and the health services directors in the states appear to be equally helpless. It is said that in some states the medical personnel deliberately delay the issue of certificates waiting to see how much the representatives of the accused and the complainant are prepared to dole out by way of bribes. It is openly alleged in one state that medico-legal personnel make as much as Rs.6000 to Rs.10,000 per case of murder and that is the state where in some areas the average murder rate per year per district is about 300. From the point of view of criminal justice, it represents a disastrous state of affairs and should be rectified since it is one of the major reasons which have made people lose their faith in the criminal justice system as such. It cuts at the root of all justice and fairplay. Hence, it is absolutely necessary to bring in legislation amending the code of criminal procedure. The new legislation should empower magistrates and judges to take judicial cognizance of delay on the part of medical doctors in furnishing wound certificates and post mortem certificates and make punishment for defaulters deterrent and exemplary.

After a case has been chargesheeted, delays can take place owing to anyone or a combination of the following reasons:

1. delay in the service of processes;
2. delay in receiving forensic science expert certificates and chemical examiner certificates etc.; and
3. long and frequent adjournments.

It is not possible to quantify how much each of these factors is responsible for the pendency and delays.

Process service by which is meant both the service of summons and the execution of warrants is another police accountability which appears to have been suffering by default during the past three decades. The courts have been pointing out an admonishing finger at

the police for this fall in standards and the criticism is justified. In the state of Bihar, it is alleged by the judges that scant attention is paid to repeated complaints made to the senior police officers by the courts regarding the failure on the part of their subordinates in this vital aspect of their duty. What is the total number of summons and warrants sent out by each court in a district? How many policemen are deputed for the performance of this duty? Is it the shortage of manpower that is responsible for the failure to serve process? Are processes being returned pleading absence of the summonee or warrantee as a matter of course? What action is being taken by the senior inspecting officers of the police to test check the state of affairs in the field as part of their inspections? (This used to be done as a matter of course by the senior inspecting officers in the southern states). Are summonees and warrantees able to bribe process serving personnel in a big way? If so, what attention is being paid to curb this evil by the higher echelons of the police administration in states? These are questions to which no replies have been forthcoming. It does not appear that the research units in the police establishments of the state governments have made any meaningful study of the situation. It calls for immediate attention to impart accountability to the system.

#### INCREASE IN ACQUITTALS AND DISCHARGED CASES

An alarming feature of the criminal justice meted out to the citizen is the phenomenal increase in the number of criminal cases acquitted or discharged by courts. An acquittal or a discharge of a criminal case represents an abortion of the legal process. It shows that either a wrong person was sought to be arraigned or the right person has escaped the clutches of the law or both. This is an aspect of criminal justice administration in which functional accountability has not been explored.

Except one research report authored by the present writer which was brought out by the Kerala Police Research Centre, Trivandrum in 1973, no empirical study of this problem appears to have been undertaken by any state in India. In this study<sup>1</sup> as many as 71 cases of acquittal were identified.

Interestingly enough, there were some cases in which the complainant did not attend court and some in which the complainant even though present, turned hostile. There is nothing to indicate that the complainant and/or witnesses who perjured were ever prosecuted for perjury. In the former composite Madras state, for every acquitted case the investigating officer had to obtain a copy of the acquittal order and submit it to his sub-divisional officer with his

comments on the acquittal. These comments were expected to cover two essential points -- whether there were grounds for taking it in appeal in a higher court and whether the acquittal was a result of inherent weakness in the prosecution evidence or caused by negligence or short-cutting of procedure by the investigating officer. The sub-divisional officer would obtain the comments of the assistant public prosecutor as well on this report and then he was expected to bring the matter to the notice of the superintendent of police for remedial action based on merits. It is doubtful if such a system exists now in most states. Suffice it to say that it is most essential to introduce it, if criminal justice has to be restored to its credit-worthiness and functional accountability.

Another aspect brought out by a recent study is that the date of filing of the chargesheet mentioned in the police case diary does not tally in many cases with the court records. A gap of nearly two weeks, sometimes even one month, is seen. It can take place only under either one or the other of two circumstances. Some police officers ante-date the chargesheets to explain away the delay in filing them in courts. (This is done by unscrupulous station house officers when inspections are due by their seniors.) The other circumstance is when court officials fail to enter correct dates when charge sheets are received in Court. (This is done either during the last week of the month or during the last two weeks of the year with a view to window-dress the pendency positions.) A simple solution to help accountability is a statutory order that courts should issue acknowledgements for the receipt of case records from police stations.

Thirty-two of the cases of acquittal identified in the Kerala study can be rectified by pinning accountability of police investigations: 13 others can be eliminated by a more active role on the part of presiding officers of courts.

Reasons like ingredients of section of offence not proved, legal defects, insufficient prosecution evidence, etc., are defects which the investigation officer could avoid if he has sufficient knowledge of, law and procedure. Generally, in ordinary cases, the investigating officer completes the investigation, prepares the chargesheet, gets it approved by the concerned assistant public prosecutor and files it in court. The Law Commission has suggested that it will be better to get legal assistance at the stage of investigation. Most of the investigating officers are not law graduates, nor do they have sufficient knowledge of law and the procedure of the law courts. They are often unable to appreciate the significance or importance of a particular piece of evidence to the prosecution case. Even now some officers get legal opinion at every stage of

investigation, but it is quite rare and is resorted to shelve responsibility, should things go wrong later. Besides, the standard of legal assistance available is poor at sub-district levels. The guidance of the senior officers is, of course, expected to be there, but it is not generally forthcoming whenever and wherever necessary.

A few other points which make a mockery of accountability are following:

First of all, the suborning of witnesses is facilitated by repeated adjournments. In the states of Tamil Nadu, Kerala, Karnataka, Maharashtra and Andhra Pradesh, there is a rule that no sessions case shall be adjourned. Sessions trials in those states rarely go beyond three months. High courts call for the explanation of the Sessions Judges who adjourn cases or for other reasons are unable to prevent the trial from extending beyond three months. Apparently, there is no such rule or convention in the states of northern India. In Bihar, it is none too uncommon to find sessions trials pending for two years and cases pending trial for eight years do not raise any eye brows. Uttar Pradesh is not far better. It should be part of criminal justice policy to institutionalise a convention that all sessions cases in all states in the country should be completed in three months. That is a first step. The next step should be to make it applicable to all magistrates courts also. According to the courts, the police are lax in serving processes. Summons are hardly sufficient to produce witnesses even after they are issued several times and even bailable and non-bailable warrants produce little effect on the indifference of the executive arm of the law enforcement machinery. The police, on the other hand, say that witnesses are unwilling to come and depose since adjournments, long and frequent, given by the presiding officers of the courts at the drop of a hat by the defence lawyers bedevil all their efforts to produce them. Another known reason for the reticence of witnesses to appear in court and depose is the failure to pay bhatta or the daily allowance to which, under the existing procedure, they are entitled. Faced with this, the courts in turn argue that there is no provision for payment of bhatta unless a witness is examined. The vast majority of witnesses are poor people. They lose their wages when they go to courts to depose. If that loss cannot be made good the state has no business to expect them to perform their duty as citizens. The finer legalities of entitlement should give place to practical economics, fairness and common sense. Above all, the system which has become so depersonalised that it is indifferent to the suffering of the victim and the witness (persons to protect whose interests and to safeguard whose security the entire paraphernalia came into existence) should

be sensitised to take those unfortunate elements into serious consideration.

### TRAINING PROSECUTORS

So we come to another important point affecting accountability in criminal justice administration, viz., prosecution. During the past three decades, there has been a steady deterioration in the standard of performance of the prosecutors in general. First of all, for the emoluments offered, it has become more and more difficult to get legal personnel of the required calibre, integrity, capacity and devotion to work. The second factor is a divorce of professional competence from the criteria for selection, a necessary consequence of the increasing politicisation of the system. Yet a third factor is the dilution of control and administrative discipline over the prosecutors. During the fifties, the newly recruited lawyer-prosecutors continued to be under the control of superintendents of police and collectors (deputy commissioners) in the districts. But all that has been thrown over board now. Most states have directors of prosecution at the state level who are expected to keep watch and exercise control over the work of public prosecutors in the districts and assistant prosecutors in the tehsils. But hardly anything is done by way of control, accountability and supervision. Newly recruited prosecutors hardly receive any in-service training after the first few weeks of their recruitment when they are attached to superintendents of police and other police officers for learning the rudiments of investigation. In-service training is an essential adjunct of modern administration. Continuing education is hallmark of any profession and today the problems of change that confront law enforcement mandate a professional response to offer which our prosecuting agencies are unfit.

The strength of any chain lies in its weakest link. As far as the Indian criminal justice administration is concerned, its weakest link is the prosecutor. Unless the police and the prosecutors develop a strategy of cooperation and understanding for attacking the crime problem, there is no way out of the present impasse. So as a first step, forensic chemistry, forensic biology and serology, forensic ballistics and forensic photography should be introduced into the curricula of all law colleges and academies in the country. Besides, in-service training of prosecutors should form part of the career planning of prosecutors in every state.

The exploration in depth of all facets of accountability in criminal justice administration is not possible in short article like this. What is attempted here is to highlight some aspects of

the problem with a view to catalyse fresh thinking on the subject and jettison the phlegmatism which the components of the criminal justice system, the public and the policy makers have slid into. It is necessary to ask the fundamental question: has criminal justice administration worked out its accountability to the persons to protect whose interests the system has come into existence, viz., the victim of a criminal offence and the peace-loving citizen? To put the question in that form is to answer it. As long as victim compensation and victim-witness assistance are not woven into the warp and woof of criminal justice administration, the accountability of that administration will continue to be called in question by the common man.

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# Improved Accountability Through Rural Development Information System

Kuldeep Mathur

THE ACCOUNTABILITY of public official and evaluation of governmental performance have long been deemed as pillars upon which democratic government rests. In recent years, most of the attention has been devoted to instruments that can make accountability to parliament more effective. Parliament represents the people and it has been assumed and rightly so that the requirements of democracy are fulfilled if the government and its officials are held answerable to it. Elaborate methods are designed to provide information to this body on a periodic basis so that parliament is assured that what was intended is being implemented. Procedures are also provided to supplement the periodic review by allowing interruptions to regular parliamentary business to take up issues of emergent nature.

However, it appears as though the rise of bureaucratic power in the modern administrative state has eclipsed the questions of governmental accountability to the citizenry. To make democracy more meaningful in our country, several tiers of democratic institutions have been established. Apart from the parliament and the state legislative assemblies, there are popular institutions rising from the village panchayat to the zilla parishad at the district level. It is at these levels below the district that the major impact of the performance or non-performance of government initiatives in development is felt. But it is also at these levels that the question of accountability has not been adequately dealt with. Parliament is peculiarly handicapped in looking at issues that are essentially handicapped in looking at issues that are essentially local in nature. What it does, therefore, is only to examine broad policy issues. Even where it may have the inclination to scrutinise development progress at the local level, it does not have time or resources to do so.

In addition, citizenry does not merely consist of people's representatives at the local or national level. It consists of beneficiaries of the government's developmental programmes. For

many of them, the success of these programmes is vital for their very survival. But these groups are quite often unaware of the benefits designed for them and such groups where this awareness exists are unable to direct these advantages towards themselves. They lack systematic and relevant information to hold developmental administrators responsible for their acts of omission and commission. They also lack a mechanism through which such information, if available, can be made use of.

One method of making planners and administrators of development programmes more responsible to the beneficiaries has been by providing their participation in the bureaucratic decision-making processes. Concern with participation in rural development has grown over the years primarily because the beneficiaries have shown little interest in programmes that do not reflect their needs and aspirations.<sup>1</sup> Participation is seen as a means of linking programme goals with beneficiary needs and thus promoting chances of programme success. Most participatory activities aim at providing this linkage and considerable amount of attention has been devoted to such participation. The question of making participation as a means of programme accountability has received much less attention in the development literature. In the developmental experience of most countries, there are very few examples of the involvement of beneficiaries in the monitoring and evaluation of development programmes.<sup>2</sup>

In order to strengthen this aspect of participation, an effective information system is needed. It is difficult to envisage a local system of accountability without a rapid, accurate and relevant information system. Timely information must flow between all levels of hierarchy of planners and administrators and programme beneficiaries.

In our country, much of the information on rural development is confined to indicating whether the intermediate ends of capital investment are being accomplished or not. But in the course of developmental experience there is a growing realisation that there are at best weak linkages between intermediate ends and ultimate programme objectives. The efficacy in the achievement of intermediate ends does not necessarily ensure that the programme goals have been achieved or that the benefits have reached the groups for whom, the programme was designed and that they have actually benefited.

In spite of the fact that such a gap is acknowledged to exist, indicators of the achievement of intermediate goals are usually paraded as indicators of achievement of programme goals. Accomplishment of capital investment outlay may indicate particular type of achievement and this information may be useful at a particular level of government. This information, on the other hand, may not be that

useful to beneficiary groups. Thus, when the parliament or other bodies of people's representatives or beneficiary organisations get an opportunity to evaluate governmental performance, they do so on data that may either be inadequate or not so relevant and, in some cases, may actually be misleading.

In reporting on rural development programmes, the government usually presents the following type of information:

#### Financial Achievements

Progress account of the expenditure is given. It includes statements of what was budgeted and what was actually spent. For example, there is a specific budgetary allocation for each block in the IRDP and the amount spent is reported on a quarterly or annual basis. Usually the questions of accountability are framed to investigate the reasons of gap between estimated and actual expenditure.

#### Physical Achievements

This gives an account of what was targeted and what was achieved in physical terms. Thus, it presents data on the number of wells dug, pumps energised or milch cattles distributed.

#### Administrative Measures

This gives information on whether the personnel needed as planned are in position or not or needed equipment is available or not.

The above mentioned categories of information are used internally to take corrective action and also to report achievements of development programmes to the public. This information system reveals little about the ultimate programme objectives like income generation, etc. What is required is an adequate information system that fulfils needs of various decision-making levels and participatory groups that either influence policy making or are directly influenced by these policies.

In order to develop an effective programme based information system,<sup>3</sup> the first task is to describe the programme fully to specify its goals and objectives and clearly show how they are going to be achieved. Description of the programme and concretisation of objectives clarify the logic of the programme and help in identifying the activities that need to be undertaken for implementing the programme.

Having closely defined the objectives, the inputs and the activities, the next task is to determine the critical variables that determine the success of a programme. The selection of variables will also depend on how appropriate they are for a particular levels

of decision-making and for the beneficiary groups.

Once objectives have been specified and choice of information has been made, the indicators on which information has to be collected have to be identified. These indicators can be of two types--one that are of stock nature and the other that give flow information. Number of trees planted, number of extension visits made are of the former type. Indicators that give flow information are, for example, those that give data on income generation, expenditure of rural labour households or extent of labour use, etc. There can be indicators that provide qualitative information. Many development programmes aim at behavioural changes among beneficiary groups. The objective of an extension programme may range from changing the levels of knowledge to skills in farming.

Broadly speaking, it is easier to identify and measure indicators that are of 'stock nature' and those that give a progressive account of quantitative output. It is because of this case that these indicators are very popular and are widely used. There is much greater difficulty in gathering data on indicators that give flow information. But they serve different purposes. In keeping a close watch on the physical inputs of a programme, both the local level administrators as well as the beneficiaries may have better use of the information on items like number of extension visits made by the agent. A higher level of policy planners may be interested in information on behavioural changes taking place due to the programme in order to redesign programmes.

Having made the choice of information required and selected the indicators on the basis of which it will be collected, the next step is to devise a system whereby such information reaches where it is required. A system of flow of information has to be devised. This system should not only ensure a hierarchical flow of information but provide it on a horizontal basis too. In developing credit plans, for credit distribution or for identification of beneficiaries more effective information flow is required between the banks and the IRDP agencies and between them and the beneficiaries.

With this data on several indicators, each level of implementation must have the capacity to process information so that it can sift and send what is required to the next level or another agency. No level should be flooded with information nor should it suffer from its paucity. The beneficiary groups, their organisations or elected bodies must also now get the relevant information. Their needs would differ but wide awareness of the way the implementation process is producing is necessary before they can question what is happening.

Another way of achieving programme accountability can be estab-

lished through participation in evaluation of programmes. Usually programme evaluation is expected to be done by agencies that have the necessary technical expertise and who have not been involved in its planning and implementation so that objectivity is maintained. As already pointed out, it is being increasingly felt that this method needs to be supplemented by beneficiary evaluation too. In spite of this increasing concern participation of beneficiaries in programme evaluation has been difficult to achieve.<sup>4</sup> For one thing the nature of participation and its extent depends on the socio-political system prevailing in the country. A centralised system of administration and planning has to make much extra efforts to provide a proper environment for beneficiary participation in evaluation than a decentralised system. For another, participation at the stage of evaluation can yield more effective results if it has taken place at the stage of planning and implementation too. A further difficulty is that beneficiary organisations are not that widespread at the grassroots level. Whatever exists in a representative form is at the higher levels of policy making and implementation.

Therefore, it may not always be helpful to embark upon participatory evaluation at the field level where a programme is being implemented without due preparation. It may be much better to achieve this through the already existing participatory organisations. In many cases, gram sabhas or the panchayats may prove to be adequate. In the IRDP programmes, while these bodies are involved in the identification of beneficiaries, the agencies do not report to them who finally appear in the list and who gets the benefits and when. Much of the question of leakages could be resolved if this information is also presented to these organisations.

However difficult participatory evaluation may be, the need of consulting the beneficiaries of the rural development programmes cannot be denied.<sup>5</sup> Programme design could be improved considerably if the beneficiary groups also give their assessment of the programme. Initially, if the data about programme is made easily available to the groups interested, climate of participation or consultation can be created.

What we are trying to establish is that a systematic information system and widespread sharing of information among programme planners, implementors and beneficiaries is necessary for improved governmental performance. Effective accountability of public officials is only a means towards this end. Inadequate public involvement and public cynicism stems from lack of adequate information which leads to a feeling that little can be done about the way the programmes are being implemented.

We have elaborated what the essential ingredients of a formal information system are; their acceptance is not easy for in many cases they require changes in the administrative culture itself. Government working on the basis of secrecy inculcates values supporting this overriding concern among its employees. Opening up the system will first have to face this obstacle and overcome it. Secondly, the quality of information and its timeliness depends a great deal on the quality of personnel who collect it and process it. Different kinds of skills like those for designing data collection methods and collecting data, data processing and analysis and competence to judge the relevance of information for various levels of decision making have to be acquired. Most of these qualities and skills can be developed through formal training programmes specially instituted for the purpose. Some of them demand acquisition of skills in techniques and tools and systematic methodology which can be imparted through training. Others demand sound judgement which can be acquired through maturity and experience.

To conclude, information system in rural development can serve various purposes. It can enable the programme management to choose effective means of programme implementation. It brings out the weaknesses in programme implementation and identifies problems which were not anticipated at the planning stage and helps in developing solutions to these problems. Timely, and relevant information can make an important contribution in determining the extent to which the benefits of the programme are flowing to the intended groups or areas. This information is very necessary to highlight the role the project is playing in helping the rural poor and not falling in the usual trap where its benefits are siphoned off by the rural rich.

This paper has attempted to stress the role an effective information system can play in improving public accountability. Reporting of physical or financial progress is not so helpful in assessing whether the ultimate programme objectives are being achieved or not. Control by parliament cannot examine the local issues and periodic reviews cannot lead to any corrective action. Therefore, efforts must be made to establish accountability. To citizenry particularly those who are the beneficiaries of the rural development programmes.

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# Accountability in Public Sector Enterprises

O. P. Minocha

REGARDLESS OF the ideological background, 'state intervention' of a positive kind in the regulation, ownership and operation of industries and services has now become an essential activity of public administration. As a direct consequence of the directive principles of state policy and industrial policy resolutions and avowed declaration of socialist pattern of society, the public enterprises have become a major instrument of development planning and implementation. The public sector enterprises cover a vast and varied range of activities which dominate the economy of our country.<sup>1</sup> The performance of the public enterprises will, therefore, largely determine the speed and effectiveness with which we can achieve our social and economic goals.

## THE PROBLEM

One of the disturbing features is that many of the public enterprises have had continuously been incurring losses and in the process have wiped out their share of capital base including free reserves. There has been low level of production and under-utilisation of capacity in many enterprises.<sup>2</sup> This dismal record should be a matter of concern and has indeed been an issue of discussion at various levels. The administrative reforms commission, committee on public undertakings, the planning commission in its plan documents, and national seminars on the subject have emphasised, time and again that "public enterprises as an institution will not succeed unless a reasonable degree of autonomy is ensured to its managers".<sup>3</sup> With the obstructive presence of civil servants and political interference, directly or indirectly, there cannot be operational autonomy and consequently, there cannot be operational efficiency.

On the other hand, owing to huge public investment in public enterprises and to achieve social economic objectives, it is essential that the management of public enterprises should not only be coordinated with a national policy but should be accountable to the public through the parliament, administrative ministries and such



other bodies. Autonomy should not cross the limit where accountability is compromised or diluted. Similarly, accountability should not be over emphasised, otherwise the very purpose of setting up autonomous corporations/companies would be defeated. The excessive accountability will weaken the initiative of management. Thus, there is a dilemma of establishing a proper balance between the requirements of public enterprises for operational and financial flexibility and need for control to assure accountability and consistency with government policy. It is with this purpose in view that this paper purports to examine the concept, rationale, mechanism and effectiveness of accountability in public sector enterprises. The study is based, entirely, on both primary and secondary published material.

### THE CONCEPT OF ACCOUNTABILITY

Accountability means to give an account of one's action and to report on the achievements and failures together with explanation of the declared objectives. Therefore, accountability relates to measuring the performance as per pre-determined, fully understood and accepted standards. Accountability is the outcome of delegation of responsibility and authority. The person/organisation having the delegated powers always remains accountable to his superior for those powers. Thus, the greater the autonomy, the greater the accountability, and full autonomy connotes and comprehends full accountability.<sup>4</sup>

At times, difference is maintained between the control and accountability. "Control is an active function, a purposeful and positive activity. It means directing, restraining, stimulating a person or an organisation to a certain action or end".<sup>5</sup> Accountability unlike control is a passive function. It means and involves giving information, accounts, reports and explanation about the past activities and sometime future activities. The one who is accountable occupies a position of trustee and, therefore, is required to give an account of how has he discharged the duties of his trusteeship. Since public enterprises are set up normally by a ministry, it is the ministry which is responsible for its policies, plans and programmes. It is the council of ministers which is collectively and severally accountable to the parliament for its performance. Thus, the public enterprises are controlled by administrative ministries and both of these are in turn accountable to the parliament for their performance. The control facilitates accountability. There are, in fact, two aspects of accountability in public sector enterprises---one being direct and other being indirect in nature.

The accountability in the public sector enterprises is ensured through different tiers like the parliament including committee on public enterprises, the press, government, board of directors and internal management.<sup>6</sup> Accountability relies on a system of connecting links--a two-way circuit involving a flow of information that is relevant and timely not only for managers but for those who must scrutinize the decisions and deeds of managers.<sup>7</sup>

### The Rationale

The accountability in public sector enterprises flows not merely from that it is financed from public funds but also from the very purpose for which these enterprises came into existence. Economic, political and administrative reasons justify the accountability. The policies output of the public enterprises must be compatible with national priorities in the fields of production and income distribution. Their prices should promote the preferred patterns of consumptions and economic activities. The "more basic or extensive the public enterprises sector, the greater its macro economic implications; hence it attracts governmental control."<sup>8</sup> Since in India public enterprises have been specifically set up as an instrument of government policy, the accountability is inconvertible. Moreover, in the case of industries like insurance and banking where nationalisation is done on specific grounds like mismanagement, labour unrest or national interest, the government and the parliament should influence its operation so as to achieve the purpose of nationalisation. Ultimately, every public enterprise is accountable to the public, as consumers, taxpayers and citizens, through the parliament. To ensure this 'parliamentary accountability', direct supervision and monitoring the operation of public enterprises by the administrative ministries become essential. The minister-in-charge is interested in the overall performance of public enterprises since it comes in for criticism in the parliament. Moreover, administrative ministries should be watchful that the major scandals do not develop in the working of public enterprises. The opposition parties, or even those opposed to the ministers concerned, can take political advantage of the situation. The paucity of information about the programme and performance of the public enterprises also justifies the parliamentary accountability. In the management of public enterprises the executives neither have the motivation of personal gain through efficiency nor exposed to the risks of bankruptcy of the undertaking. This aspect further strengthens the need for accountability of public enterprises. The chief of administrative set-up--secretary--in view of its vast experience in administration plays a role of moderator between the ministry and the

public enterprises. He is expected to explain general objectives and coordinate operation of public enterprises. Moreover, over a period of time the operational efficiency has attracted delegation of powers, which in turn attracts accountability.

Thus, the rationale of accountability in public sector undertaking is not at all questionable. The major questions, are: in what proportion should direct or indirect channels of accountability be implemented; what should be the norms; and as to how far is the accountability effective to achieve the intended results.<sup>9</sup>

#### Choice of the Forms of Organisation

To strike a right balance between accountability and autonomy, three principal forms of organisations for the administration of public enterprises have been evolved in India. These forms of organisations are 'departmental undertakings', 'statutory corporations' and 'government companies'.<sup>10</sup> The 'departmental' form is the oldest and is at par with government departments in matters of appropriation and accountability. Although this form of organisation ensures full accountability, there are obvious limitations in this form of organisation. The management of public enterprises may not have adequate freedom of actions in matters like technological improvements, capital expansion, finance and accounting, purchase and personnel management. The inadequacy of this form of organisation resulted into setting up of 'statutory corporation'. This form of organisation was established, because (i) The government was dealing with the public as a businessman rather than a sovereign; (ii) users, rather than general tax-payer, were to pay for the cost of goods and services; (iii) expenditure to meet increased demand should not be met out of the general budget; and (iv) the operations were being conducted within the areas in which there were well-established commercial and trade practices.<sup>11</sup>

Obviously, a corporation apart from assuring accountability is in an advantageous position because of its administrative flexibility and operational freedom. However, the creation of this device has given rise to new and equally difficult problem. There is a danger that their operations may become uncoordinated and they may become too much independent. 'Government company' is the new form of organisation which is widely being used in India for industrial and commercial enterprises. This form of organisation is intended to give the undertaking freedom from day-to-day ministerial and parliamentary interference and to guarantee sufficient degree of managerial independence so that board of directors may become enterprising and efficient. This form of organisation is immune from constitutional responsibility which the state-owned undertaking has

in a democratic society, to the government and the parliament. The parliament, naturally, is not in favour of such an organisation which reduces accountability.

Over a period of time, it has been observed that there is no demonstrable co-relation between the legal status and autonomy. Whatever be the form of organisation, the autonomy and accountability depends on the conventions and working precedents which go along with its legal status. The concept of autonomy which went along with setting up of statutory corporations or companies has failed. The accountability instead of based on legal forms of organisation should be related to the nature of functions of the enterprises, viz., commercial and non-commercial. This warrants a new classification of public enterprises based on the wider socio-economic objectives. In case of commercial enterprises a greater degree of flexibility is needed and the accountability should be confined to policy issues. The organisations with social objectives may be subjected to greater accountability. Government companies with non-commercial functions be converted into departmental form of organisation; while 'statutory corporation' form of organisation seems more appropriate for other functions.

#### Critical Assessment of Mechanism of Accountability

There are two kinds of accountability which are being exercised for the public enterprises in India. One is the formal and legal in character which aims at ensuring the correctness of accounts of the enterprises and its conformity with legal provisions. The other form of accountability is through policy direction, supervision and coordination. Both these are being exercised in India in such a way that it has impaired the operational flexibility without providing necessary direction in those areas where consideration of national policy are legitimately involved.

Apart from the parliament there are large number of agencies -- the administrative ministries, finance ministry, inter-ministerial committees, cabinet, planning commission, bureau of public enterprises and regulatory agencies--which exercise control over public enterprises. These agencies can be grouped into three main categories, namely, legislative, statutory bodies and the government.

The purpose of the parliamentary control is to ensure public accountability. The main instruments of parliamentary accountability are: (i) questions and debates; (ii) annual reports of the bureau of public enterprises; (iii) audit reports of the comptroller and auditor general; (iv) committee on public undertakings; and (v) consultative committees of the parliament.

The main statutory agency which controls the public enterprises is the audit board. The audit board's report after the accountant general's approval is included in the audit report (commercial) and is presented to the parliament. In concept, this covers the areas of commercial/financial audit. But, there seems to be considerable duplication because the same areas are also audited by the company's audit. audit board, as a rule, is unable to exercise control over public enterprises in terms of goal achievements or to areas like production, quality, cost, human resource development and the like.

The most extensive and important control is exercised directly by the government. This function is exercised by the minister-in-charge, sponsoring/administrative ministry and the bureau of public enterprises. The main instruments of formal control are: (i) appointments and removal of top management; (ii) involvement in decision--making through ministerial nominees on the boards; (iii) issuance of directives by the ministry, and (iv) approval or veto of specific actions and policies of the boards by the ministries.<sup>12</sup> These instruments of accountability are clearly provided for in the relevant status in the case of statutory corporations and in the articles of association in case of government companies. Clearly the public enterprises are suffering from overdirection and over-control by government, chocking creativity of management at all levels.<sup>13</sup>

The bureau of public enterprises which was intended to be the 'service agency' has become an agency for supervision and control over public enterprises. In practice, the bureau of public enterprises has taken over some of the regulatory functions of the government. It issues guidelines, sanctions wage claims and in various other respects regulates functions of public enterprises.

Another important method of accountability, often resorted to by the government, is that of appointing its own representatives on the board of directors of public enterprises. Sometimes, the government also appoints politicians as part time chairman of the public enterprises. This enables the political party in power to directly take part in the management of such enterprises whose goal achievements have a degree of social and political importance.

The actual impact of various techniques of the accountability clearly demonstrates that the parliament has neither sufficient time nor sufficient competence to control the public enterprises adequately. For this purpose, it would be of great help if the members of parliament are given detailed informatiaon about the activities of the public enterprises directly by the chief executive. There should be both technical assistance and staff assistance alongwith research facilities to the members of oposition. To save the time

of the parliament a convention may be developed whereby the members of the parliament are able to send their questions directly to the chief executives of the concerned public enterprises. The administrative reforms commission in this connection suggested that the parliament may be approached to agree to earmark a number of days for discussion on working of public sector undertakings<sup>14</sup> and committee on public undertakings may consider taking up for examination a group of undertakings following within one major areas or enterprises and bring out a consolidated report thereon.<sup>15</sup> The Commission also suggested that there should be a small technical cell in each ministry concerned with public undertaking to make monitoring and control effective.<sup>16</sup>

Agreeing to the suggestions of the commission, the bureau of public enterprises has designed an integrated management information system. It has also prepared a note on the 'performance aims and financial targets for public enterprises for the year 1982-83 and 1983-84'.<sup>17</sup> The bureau of public enterprises is conducting quarterly performance review meetings with the chief of public enterprises and concerned administrative ministries.

There have been serious delays in the presentation of annual reports and accounts of public enterprises to the parliament.<sup>18</sup> This makes the accountability ineffective. It was suggested by the committee on public undertakings that the accounts and reports should be laid within nine months of the close of the year for which those are related. It should be the responsibility of the administrative ministries to ensure timely submission of reports and accounts to the parliament.<sup>19</sup>

In a seminar held in June, 1978 on 'Parliament and Public Enterprises in India', it was stressed that the 'committee on public undertakings' has not been fair to public enterprises and have given a verdict against the whole public sector which will damage its image for a long time to come. At times the language used by the committee is bad, ill-tempered, harsh and undesirable. At times the committee has taken over functions of other controlling agency causing confusion in the process.<sup>20</sup> In another seminar held in August, 1979, it was observed that the accountability should be to the assigned task and it should be related to the type of undertaking and it should be result-oriented. Parliamentary accountability should be broad and in general terms. Day-to-day individual decisions should not be called into question. Party politics should not be allowed to creep into the deliberations of the committee on public undertakings.<sup>21</sup>

In U.K. each ministry responsible for industry is required, by statutes, to take steps to see that the interests of the industries

and consumers are protected. This is usually done by setting up representative consumers' councils or consultative committees to consider complaints and suggestions made to them and to advise the board of directors or ministers of the changes they think desirable. In India only department of steel has set up a cell to attend the complaints/suggestions from consumers. Thus, there is no mechanism to ensure accountability to consumers.<sup>22</sup>

#### Emerging Hypotheses

Based on these observations the following hypotheses emerged:

1. There is no co-relation between the forms and contents of accountability and the legal status of public enterprises;
2. The mechanism of control is dependent on:
  - (a) Types of organisation (viz., commercial and non-commercial);
  - (b) Stage of organisation (viz., planning, construction, and operation);
  - (c) Nature of administrative activities (viz. personnel, financial, production, marketing, etc.); and
  - (d) Political party in power:
3. Multiplicity of the controlling/supervisory agencies has led to uncoordinated exercise of power;
4. The enforcement of too much accountability has led to ineffective accountability.
5. Procedure prescribed for accountability is dictated more by political considerations than by organisational necessities;
6. Since the control in the sense of guidance, restrain and pre-regulation of action has been little, there is no positive contribution of the controlling agencies in the functioning of public enterprises;
7. Because of highly technical nature of the project and the operation of public enterprises, greater attention is given by the controlling authorities to the insignificant matters at the cost of vital aspects;
8. Along with legal relationships between the controlling agencies and public enterprises there exists extra-legal relations, which are being resented to by the management of public enterprises;
9. Though, under the legislation governing the enterprises, parliament is to be concerned with the matters of overall policy and achievement of broad general objectives, in

practice, no distinction is made between 'matter of policy' and 'day-to-day' affairs.

10. When an enterprise is doing well, minister is liberal in his response to parliamentary requests for information because that information will generally rebound to his and the government's political credit;
11. From the content analysis of the reports of the committee on public undertakings, it is clear that there is no consistency in the recommendations given for improving the functioning of public enterprises;
12. Delay in the acceptance as well as non-acceptance of the recommendations by the government has weakened the effectiveness of the committee;
13. The large number of public enterprises under the charge of a administrative ministry has created more problems and difficulties in exercising control over them than coordinating their activities; and
14. The efficiency-cum-property audit developed by the director of commercial audit designed to "see whether the operations are being carried on the wisdom, effectiveness and economy" has become dysfunctional. The minuteness with which the audit is conducted tends to inhibit decision-making.

#### SUMMING UP

To sum up accountability of public enterprises has mainly taken the shape of ministerial control. None of the norms and techniques of accountability has been adequately established. The indirect agencies of accountability have not been appropriately used. The accountability has, therefore, been ad-hoc in nature and restrictive of managerial autonomy. It has neither been in the best interest of public enterprise nor have assured their accountability in substantive terms. Therefore, there is a need for new scientific and impactful techniques of accountability as opposed to routine, rule of thumb, ad hoc or irritating controls. The main concern should be not more accountability but good accountability.

It is only through directions by objectives and accountability by results that operational autonomy and accountability can be reconciled. In this process, both operational autonomy and accountability can be simultaneously enhanced. Public confidence will return with the assurance that the public enterprises are being managed effectively if those are held accountable for performance and results. More accountability can be secured if it is not for



individual actions and decisions but for results. To achieve this, instead of hierarchical bureaucratic and uni-directional control, there should be a more managerial accountability which lays stress on harmonious relationship, unity of action based on common purpose and mutuality of influence amongst controlling agencies and public enterprises in the formulation of policies and their implementation.

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# Accountability in Social Welfare Services

Mukkavilli Seetharam

ACCOUNTABILITY IS a word that is increasingly used in recent times. Basically, it means being able to justify what we do, how we do it, and what it costs. It denotes accounting of inputs, processes and outputs, in terms of money, material and man-power invested in any organised activity. Application of the concept of accountability is relatively new to the field of social welfare. Accountability is both direct and indirect in nature. Directly, it means proper accounting of the funds spent under permissible heads of account to achieve predetermined purposes in any organisation undertaking social welfare programmes. Indirectly, it is the responsibility to the larger community which is supporting the social programmes for alleviation of distress. Accountability comprises several elements ranging from problem identification to goal formulation and it raises central questions of efficiency and effectiveness in reducing social problems. This implies that if the society makes the resources available, this service will be provided in the manner promised, and that the problem may be minimised at the least possible social cost.

## RATIONALE

Social welfare services are much more vulnerable to questions of accountability because of their intangible products. Besides, several factors have contributed to the significance of accountability in social welfare. Successive five year plans have been earmarking an increasing order of funds for social welfare. The outlay for social welfare has increased from a paltry Rs. 4 crores in the First Five Year Plan to Rs. 271.97 crores in the Sixth Plan. The manifold increases in outlay and expenditure on social welfare place these welfare services under increasing pressure to be accountable for the public funds they receive. Hence, the programmes become accountable not only for how the money is spent, but what is accomplished with it. The pressure for such accountability has brought forth a host of concerns hitherto neglected or ignored. These

concerns relate to ideology, political action, policy-making, efficiency, programme effectiveness, quality assurance, and professional responsibility. The demands for accountability are growing with the competition for limited financial plan resources from the economic sectors.

Secondly, social welfare programmes are moving from services provided by a few dedicated persons for the 'unfortunates' of society to services provided as a normal aspect of life for many persons. In other words, of late, social welfare caters not only for the handicapped population, but also for large number of children and women from disadvantaged families in rural and urban areas. This shift in focus from curative approach to developmental orientation exposes these services to challenges of accountability.

Thirdly, if social welfare was an essentially private endeavour supported in the market place by persons willing to purchase the services, there the questions of public accountability and the issue of effectiveness would be less compelling. However, as social welfare services largely depend on public sources of funding, the society will need some accounting.

Fourthly, as social welfare services do not generally operate in open market conditions forces of supply and demand do not force efficiency and effectiveness on those providing them. For detailed analysis, the issue of accountability has to be viewed in juxtaposition to three other dimensions: accountability of the provider to the public or larger community, accountability to the beneficiaries of services, and accountability of social welfare practitioners to their agencies.

#### ACCOUNTABILITY TO PUBLIC

The public is usually identified as those who pay for social services, but even the poorest of the poor pay taxes on practically everything purchased. But they are all financing indirectly social services. There are several communities which contribute directly to programmes of social welfare, viz., provision of full accommodation for Balwadi, free labour for mahila sabha building, etc.

In social welfare services, the tendency has been to absolve the 'provider' from any charge of ineffectiveness and to blame the 'user' for his own inadequacy. Comments that the 'drop-outs' from welfare programmes were 'resistant' or 'apathetic' or 'ignorant' were not infrequent. Studies show that important reasons for failure of mid-day meals programme were system-related. These factors include lack of continuity in support of food materials to the feeding centres, pilferages in channels of distribution, non-

adherence to minimum number of days, etc. (Government of India, 1981; 379).

The process of service delivery is of vital importance in social welfare. Hence the consideration of how the clients or service users are looked after and treated so as to attain the set objectives of the programme, assume importance. A major goal of correctional services is rehabilitation of social deviants in society. Despite the increasing investments in organisation of institutional and non-institutional services for prevention and treatment of juvenile delinquents, the number of cases of juvenile delinquency reported under Indian Penal Code have gone up by 18.9 per cent from 1976 to 1977. The extent of recidivism among juveniles too had gone up from 14,289 cases in 1976 to 25,770 cases in 1977 (Government of India, 1982:531). In several states, the correctional institutions are under the administrative control of either prison department or police department, whose outlook is mainly punitive. As a result, the services rendered are essentially 'custodial' without much concern for socio-economic rehabilitation.

In social welfare services, guaranteed performance is rarely expected, except within restricted limits, because: (1) the inputs are human beings with problems, and (2) outcomes for people are not as predictable as for materials. However, this does not mean that precious resources can be frittered away on the pretext of intangible outputs not amenable to measurement. A study of the scheme of scholarships for physically handicapped recommended liberalisation of the criteria for selection, and simplification of procedures as it found that the time gap between submission of application form and receipt of scholarship was more than six months in 73.5 per cent of the cases (Government of India, 1979:51). This indicates that accountability does not mean greater controls at the cost of the beneficiary whom it intends to serve.

The concern expressed in the parliament and outside about the adoption of Indian babies by foreigners raises several questions about public accountability. About 200 out of the 700 adoption cases processed annually by courts in India pertain to adoption of Indians by foreigners. Who is responsible for the care of such a large number of Indian children sent abroad in adoption? How far adoption by foreigners is justified? What are the safeguards to prevent and control commercialisation of what is basically a humanitarian problem of destitute and deprived children by unauthorised agencies and individuals? To counter malpractices in adoption the supreme court has sought the views of those concerned in the matter.

## ACCOUNTABILITY TO CONSUMER

What does the beneficiary expect of the provider? A parent coming to a child guidance centre with a maladjusted child would expect the centre to help in normalisation of the child's behaviour. If the centre's team performed their job effectively, that child's normal social functioning would be restored. To this extent the centre's performance would be accountable in intent and the beneficiary's expectations are met. If the case is unsuccessful, it might be due to the ineffectiveness of the counsellor, or parental non-cooperation, or other variables. If dissatisfied, the rich can afford to visit private child guidance centres. But the poor may not be in a position to afford to pay for the social welfare service. Therefore, the interests of the consumers would have to be protected.

The living conditions in several children and women's institutions are far from satisfactory. Public Interest litigation aimed at protection of the weak against all forms of injustice and exploitation is gaining momentum. As part of it a few social action groups have taken-up cudgels against the oppression of the under-trials in prisons, abuse of children, etc. Upon the referral of a conscious citizen, the supreme court appointed a team to inquire into the sub-human treatment of inmates in Agra's protective home for women. It revealed that several of the same female inmates turned mentally unsound as a result of their torturous confinement for nearly two years. This was the status of accountability of a state-run institution toward its beneficiaries. Similarly, following allegations that women in Nari Niketan at Delhi were being married-off to men who later forced them into prostitution, the supreme court directed the Home not to marry-off any inmate without its express permission, and to carry out classification for lasting rehabilitation. The court's order was ignored and the highest court had to repeat its directive two months later.

Instances of social welfare agencies deriving undue advantage of the 'helplessness' of the beneficiaries are not far to find. As part of its integrated education scheme, the municipal corporation of Delhi had admitted a large number of mentally retarded children regardless of their potential for integrated education. After a few years the corporation realised this and forcibly withdrew retarded children without caring about their future education. Due to their withdrawal, the children would be forced to terminate their education as special schools for the retarded impose age restrictions for admission. There was no organised action on the part of the concerned parents of mentally retarded to demand and secure adequate

justice for their wards. This example points to the need for organisation of consumer groups in social welfare services at union, state and local levels (1977:5). The social agencies could be made more accountable to their consumers by: (a) inclusion of user's representatives in managing committees, (b) establishment of grievance redressal procedures, and (c) introduction of specific quality assurance norms. A related problem is the gap between what the consumer expects of the provider and what the provider expects of the consumer. In many involuntary rehabilitation programmes under social welfare, the recipients are usually unaware of the goals of their institutionalisation. Therefore, consumer education campaigns are necessary. Steps should be initiated to make the providers receiving tax-payers' money to inform their clientele of the objectives and benefits available under the social programme, and whom to contact for lodging complaints.

#### ACCOUNTABILITY TO AGENCIES

Just as the agencies have obligations to the public supporting them and their clientele, social welfare functionaries are accountable for their actions to their employing agencies. Generally, this accountability is monitored through performance appraisal systems. The welfare workers level of accountability is determined by a number of factors such as: commitment to work, working conditions, salary, job satisfaction, training and experience. There is an expectation that those who receive a degree in social work are qualified, since they have acquired specific knowledge and skills so that they can provide accountable professional service to the community. In furtherance of this responsibility social work embodies a set of professional code of ethics. The association of schools of social work in India and the university grants commission are responsible for upgrading standards of social work education in India.

#### PUBLIC REGULATION

An important mechanism for regulation of welfare services in voluntary sector is the Societies Registration Act, 1860 which mandates registration of agencies under this Act. According to available information, societies registration acts in the states of Maharashtra, Gujarat, Karnataka, Uttar Pradesh, West Bengal and Tamil Nadu provide powers of superintendence to check illegal activities of societies. It was observed that a considerable number of societies registered under the act do not keep the registrars of

societies informed of their activities on a periodic basis. Moreover, the staff available to enforce the provisions of the Act are inadequate. The Public Trust Act, 1950 applicable to Bombay contains certain provisions whereby the Trust's accounts have to be audited by an auditor and it is the responsibility of the auditor to send a copy of the audited accounts to the charity commissioner. It is not known as to how many states have the position of charity commissioner. Social welfare institutions are also governed by the Women and Children's Institutions Licensing Act and the children's acts, wherever applicable.

There are a set of rules and regulations for financial control in the case of welfare schemes run by government. As far as the financial administration of social welfare is concerned, the following departments, besides the administrative and welfare departments come into the picture, viz., technical departments such as the public works department, industries department, etc. for schemes relating to training-cum-production, social housing, etc. and finance department for all schemes. Execution of welfare schemes follows diverse pattern in the states. Generally, the executing departments are accountable to the sponsoring departments for the works assigned. The Renuka Ray Committee observed that the figures of expenditure on welfare schemes furnished by the state governments are often conflicting. The office of the comptroller and auditor-general of India periodically oversees the expenditure and performance of welfare schemes managed by the government. Thereafter, the public accounts committee of parliament may also examine the functioning of these welfare programmes. Thus, there is a system of checks and balances for ensuring fiscal accountability.

#### GRANTS-IN-AID

In pursuance of the policy to promote voluntary action, a number of voluntary organisations are aided by the government either directly or through the central social welfare board for operation of social welfare services. The agencies receiving grants are expected to utilise the grants for the purpose for which they were sanctioned and also to maintain reasonable standards of service. The inspection/welfare officers are expected to visit the grantee agencies to examine the records and accounts, observe welfare activities, identify deficiencies, and guide the agencies for improvement. In states, the aided bodies are inspected by the district social welfare officers and the women and child welfare officers. All-India bodies like the Indian council for child welfare, Red cross society, etc., get the inspection done by their local



representatives. A study of aided agencies revealed that one-third of the agencies were not visited by any inspection staff. Moreover, the frequency of visits by inspection officers, duration of visits and guidance given during these visits served a very limited purpose (Government of India, 1978). Often the inspection procedures emphasise mainly fiscal accounting without insistence on programme efficiency and effectiveness. Audit reports show that grants are sometimes released without obtaining audited accounts for the previous year's grants, and then care is not exercised to ensure that the conditions are fulfilled by the grantees. The problem is aggravated by lengthy and cumbersome procedures expected of the aided agencies. Major lacunae in grants-in-aid impeding accountability of the aided agencies to the government are: (a) no clear demarcation between purpose of different grants resulting in wastage, (b) payment of grants from different sources, (c) lack of uniformity in conditions governing the grants from different sources, (d) lack of minimum standards of service delivery, (e) delays in sanctions and release of funds, and (f) lack of technical assistance to plan activities. There is a need for introducing a system of recognition based on objective criteria for social welfare agencies as in case of educational institutions.

#### MEMBER PARTICIPATION

General body meeting is an important mechanism to ensure managing committee's accountability to the members in voluntary welfare organisations. These meetings are primarily meant to review the progress of work, though often the purpose is election of office-bearers. The frequency of general body meetings has to be related to the constitution of these bodies. The PEO study showed that of the 21 agencies studied, two-thirds met as per the prescribed interval, and one-third did not hold general body meetings at all (1978:20). The managing committees or executive boards of voluntary agencies are intended to plan and organise the programme for the year, raise resources, administer welfare programmes, incur expenditure as per directions laid down by the general body, etc. These committees are accountable to general body. In reality, a large number of members of managing boards are public men having little time for voluntary agencies. A device usually employed to ensure accountability is 'advisory committee'. Even this system has degenerated to a mere ornamentation in several agencies. A study of working women's hostels showed that most of the advisory committees are inactive and even where they exist, the deference shown by managements to its decisions is rare (Government of India, 1977:6).

## QUALITY ASSURANCE

This concept is analogous to the concept of quality control in industries where acceptable tolerances are set and items exceeding those tolerance limits are rejected. Insistence on quality assurance in welfare services would improve accountability of the agencies to funding sources, regulating bodies and consumers of service. Quality assurance of social care is a process designed to identify and correct deficiencies in services provided to recipients. Quality is ensured by comparing the standards of service with professionally developed criteria that specify appropriate standards for particular problem areas. These specifications include structural requirements like land and building, record systems, trained personnel, educational and recreational equipment, etc. The emergence of quality assurance as an aspect of accountability raises several issues. There is an inherent conflict between cost control and enhancement of quality. Voluntary agencies often complain that the per capita grant-in-aid provided is too meagre to ensure high quality. While minimum standards have good potential as stimulators of improvement of services, in case of non-compliance there is no machinery to enforce punitive sanctions.

The state governments and the central social welfare board have a major role in improvement of quality of services. These measures include: (a) development of model programmes, (b) exchange of staff among voluntary organisations, (c) provision of services of specialists for voluntary agencies, and (d) expansion of field counselling services. Development of data-based information relating to the services and their monitoring are important prerequisites for improvement of accountability.

Several approaches are available for measurement of welfare service outcomes. Social indicators have been utilised for assessment. Social research approaches include surveys, impact studies and case studies. Beneficiary satisfaction is an important measure of accountability. Use of cost-analytic techniques like cost-benefit, cost-outcome and cost-effectiveness have been limited in social welfare services. Cost benefit analysis faces service measurement hurdles of defining appropriate direct and indirect costs. Further, the problems of multiple meanings of opportunity and social costs arise. To overcome these problems, the technique of cost-effectiveness is more relevant to social welfare. Application of modern management techniques for service measurement requires detailed information.

The demands for accountability go beyond accounting practices to prevent embezzlement of public funds. Financially, an organisation

may satisfy audit requirements without being efficient. For example, it was reported that for last five years the only beggar home of Bihar in Patna did not have a single inmate, though its capacity is 50 inmates. The beggar home has a staff of ten and Rs. 1.4 lakh is incurred annually by government on its maintenance and establishment. Accountability demands that services are provided in the manner expected of them and only to those who deserve them. Most of the welfare agencies depend on a broad base of funding for stable functioning of a variety of activities. Funding agencies usually seek enormous amount of information from time to time. As a result, the agencies reporting requirements are multiplied many times. One answer to this problem is design of management information system. If properly designed, the system will: (a) define how current resources are being spent, (b) provide monitoring aids for agency administration, (c) provide data for multiple reporting requirements of funding agencies, and (d) provide data for calculation of cost effectiveness. Using this information base, social welfare organisations can use the following techniques to build-up accountability: (a) cost-effectiveness, (b) Management by objectives, (c) Programme performance budgeting system, and (d) survey research. Nevertheless, two constraints of improvement may continue to persist: (a) when services are provided without charge, inefficiency and ineffectiveness can be marked, and (b) without competition among providers, there is little incentive for innovation and efficiency.

#### CONCLUSION

What is social welfare trying to accomplish? How effective are social welfare programmes and do they justify the cost? These issues will continue to be raised. To counter them, the energies and resources devoted to evaluation and discovery of more effective ways of delivering social welfare services have to be increased. Hence, the key areas for building up accountability are 'goal-specification' and 'evaluation'. The social welfare agencies should also allocate at least 10 per cent of their current resources to the task of improving and demonstrating their effectiveness. This would be a convincing manifestation of the commitment of social welfare to be accountable for its mission.

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# Accountability Through Performance Budgeting : Experience in Commercial Banks

Rajendra Maheshwari and Pushpa Maheshwari

"ACCOUNTABILITY REFERS to the fact that each person who is given authority. . . must recognise that the executive above him will judge the quality of his performance."<sup>1</sup> However, the concept of accountability is multi-dimensional especially in the context of public sector business enterprises. "Public enterprises are owned by the state. But they are created by investments from the funds of exchequer, and must, therefore, be subjected to the accountability. There are other reasons too for insisting that public enterprises should function within the four corners of public accountability. More often than not, public undertakings are set up in nationalised sector of industry, and, therefore, function in an environment that provides the advantages of full or partial monopoly. Parliament, government and the public must therefore, be satisfied that they are being run efficiently, that conditions of monopoly do not lead to the exploitation of the consumer or deterioration in the quality of goods and services."<sup>2</sup>

Accountability needs a new definition--a three-layered definition: internal, external and public. "Internal accountability would serve as an instrument of knowledge and control by management, who in their appraisal would have to be their own best judges and worst critics. Externally, it would also be the instrument of knowledge and control by those to whom the enterprise is responsible, who therefore themselves possess the skills and sophistication of accountability that they would expect from the enterprises. To industry and public at large it would be the means of communicating the enterprises' activities and results."<sup>3</sup> The usual practice of public undertaking to answer numerous questions asked by the administrative ministry, public and parliament does not by itself constitute accountability in a public undertaking. The accountability to all can be best reported, monitored and judged through the in-built performance and appraisal system. It is a new method of accountability, a new style of management and a new approach to performance. It is known as 'performance budgeting'.

## EVOLUTION OF PERFORMANCE BUDGETING IN INDIA

In the USA, the broad movement for greater management efficiency in the post-World War II years introduced a concept called 'performance budgeting'. Its concern was efficiency (performance) and the scope of budgeting was extended to 'outputs', not merely the then existing 'inputs' characteristics. By 1949, Hoover Commission popularised performance budgeting. In 1960, Robert McNamara, then Defence Secretary, with the help of Charles J. Hitch introduced a new dimension known as planning-programming-budgeting system analysis (PPB). PPB which was adopted at a large scale in 1965 was abandoned by the early 1970s when a variant of budgeting--Management by Objectives (MBO), enunciated by Peter F. Drucker--became in vogue. In 1977, which in turn was replaced by Zero Base Budgeting. However, the recent clamour for increased accountability has led them back to performance budgeting. In India, the initial demand (in 1954) for its adoption was given a concrete shape by Lok Sabha's estimates committee (1958) in their 10th report. However, the actual presentation of performance budgets at the central level started only in 1968 at a very small scale. Progressively it has been adopted by the state governments too over the years.

Performance budgeting as applied in government, according to Professor M.J.K. Thavaraj, means--"a technique of presenting expenditure in terms of what an organisation seeks to achieve, how much, when and at what cost. In the government, individual agencies had to formulate their programmes and activities in conformity with the broader purposes to be served and overall framework of policy objectives. A sound work programme for a specified time period should include, for each activity, a clear definition of objectives, the choice of basic methods for achieving the objectives, a forecasting of how much and what kind of work is to be done, when and at what cost."

Finding the utility of this new system of budgeting the Government of India often stated that the public undertakings should also introduce performance budgeting. The estimates committee in their 20th report on budgeting reforms inter alia recommended that the public sector industrial undertakings should opt it and performance budgets be made available to parliament at the time of annual budget. Due to slow pace, the estimates committee in their 70th Report again suggested for early implementation of performance budgeting. Later on, various ad hoc committees and working groups set up by the government explored the idea of performance budgeting further. As an outcome of these developments, the idea of performance budgeting got acceptance. The State Trading Corporation of

India appears to be pioneer in adopting performance budgeting in 1968-69 under the professional guidance of its chairman Shri P. L. Tandon.

### IMPLICATIONS OF ACCOUNTABILITY FOR PUBLIC ENTERPRISES

A public sector undertaking has to be accountable to parliament, to the government and to public at large including business circle. The Micardo Report on the nationalised industries in the UK (1967) stated that the malaise of the nationalised industries is mainly attributed to a lack of proper relationship between the nationalised industries, the sponsoring departments and the government. "The sponsoring departments are the central pillars of the system of government control." The general philosophy governing the ministerial control over public enterprises in India is akin to that in the UK.

In a country like India, where public enterprises have attained 'commanding heights' in terms of investment, business operations and geographical coverage, the parliament can keep control over them only through the administrative ministry. The administrative ministry too has many tasks to perform. Therefore, to know of the progress against the expectations, certainly the best way is to give clear-cut guidelines to them. The enterprises in turn will quantify the task, make programmes, determine time schedule, and chalk out strategies. A quantified task is better for the performing unit as well as monitoring unit for accountability to higher ups as compared to a situation where tasks are not quantified.

### PERFORMANCE BUDGETING AND ACCOUNTABILITY

Under the performance budgeting the emphasis is shifted from the budget as a means of accomplishment. The focus is not on means as ends, but on ends themselves. Secondly, a performance budget is prepared not in terms of objects of the expenditure and organisation units but in terms of functional classification and its further break-up into programmes--its activities and projects. Thirdly, performance budgeting attempts at quantification wherever possible. Fourth, a management information system (MIS) is provided with for effective decision-making and efficient internal management. Fifth, it is not like the traditional budget which does not work as a tool for management and as a device for evaluating performance. Lastly, it is altogether different from the earlier practice of target setting as imposed by the higher authorities.

Performance budgeting is a novel method of budgeting as well as

accountability. People call it as 'total management system'. It is because all management activities (planning, organising, staffing, directing and controlling) do get reflected in the budget and the accent is on performance. This system of budgeting is a fine blend of systems approach, linear programming, management by objectives (MBO), corporate planning, value engineering and many other management techniques. Among these, MBO is of special importance. Its central theme is that objectives must be made operational before one can manage efficiently and effectively. For this purpose, these are to be converted into specific assignments. After that priorities are worked out. The next step is to establish specific goals and designate specific targets, time-tables and strategies to fulfil the goals. The policy making is participative and decentralised and the 'decision flow' is upwards.

#### PERFORMANCE BUDGETING IN BANKS

The basic steps involved in performance budgeting are: (a) budget formulation through consultation and participation at the performing level (budget includes both the output and input budgets); (b) budget settlement at the next authority level to arrive at the final budget; and (c) monitoring and review of performance. There will be no change in this regard in all types of public undertakings. However, the type of budgets to be made and the levels of settlement will depend upon the type of operations involved and the organisational structure adopted. Here we are taking an example of the performance budgeting process as followed in nationalised commercial banks.

The process of performance budgeting in a bank starts from the branch level. The branch manager and the staff sits together to formulate branch budget. It will not be only an output budgeting but it will be simultaneously linked with input budgeting. Input budgeting means the resources required to fulfil business targets will also be budgeted. While preparing branch budget the inputs used are: corporate plans (as sent by the head office), historical growth trend and the potential of the command area. The second phase relates to democratic settlement of branch budget with the regional office. The regional office discusses the branch budget on the basis of broader data base, wider experience and deeper perception at its command to arrive at mutually agreed budget through bridging the gap between the draft budget and the budget as perceived by the regional manager. The regional office then compiles it and settles with the head office. The final phase relates to performance monitoring and review. The branch offices



send weekly, monthly, quarterly, half-yearly reports to regional office and the regional office to the head office. The regional office reviews the performance in terms of targets budgeted, strategies suggested, resources supplied and the problems faced by the branches. The regional office accordingly either modifies the budget targets or provides necessary guidelines or resources to help the branch to achieve the target. The regional office also goes through the same process with the head office. Review is also made through organising of conferences.

In performance budgeting, since the focus is on performance, necessary support has to be provided within the form of renovating the organisational structure and the accounting system; introducing and strengthening the management information system; simplifying the procedures and the formats, going in for more decentralisation and delegation of authority; injecting a new philosophy of participation; increasing efficiency of human resource through training; and providing motivation for higher productivity. Under an ideal performance budgeting, performance standards for employees are also to be decided. We would like to caution here that as performance budgeting is a continuous process, introduction of support systems, etc., should not be taken for granted once for all. Rather these too should be continually reviewed and linked with performance.

### EXPERIENCE OF ITS APPLICATION IN PUBLIC SECTOR BANKS

With the advent of nationalisation, need for better business planning from the grassroot level but also incorporating at the same time head office policy guidelines, was felt too much. Both the Government of India (Ministry of Finance, Department of Banking) and the banking industry were seized of this problem. Need for such a system was voiced in the top management conferences sponsored by the National Institute of Bank Management (NIBM) held in May 1972 and April 1973. The NIBM devised a draft framework of the system of performance budgeting and placed it before the performance budgeting committee. The system was finally evolved in 1973 after a seminar convened in June 1973 and all the commercial banks decided to implement it from the year 1974 in a phased manner.

The State Bank of India was the first to introduce performance budgeting in 1972 and the Punjab National Bank was the next. Subsequently other banks have also introduced. In our survey of one of the nationalised banks on the working of performance budgeting we have come across the following conclusions.

At the branch level in the formulation of draft performance budget, the bank managers were not making environmental survey of

the command area because they felt themselves to be already overburdened with the day-to-day operations. Increasing staff indiscipline in the form of late-coming and non-cooperation, the manager and the officials were themselves doing the clerical jobs on the counters. Some of the managers were found lacking in skill and resources to make such an environmental survey. Because of one or the other reason, it was found that environmental data was given the least importance by branch managers in their budget formulation exercises and primary importance was given to their past experience. In most of the cases, employee participation, the basic ingredient, was badly missing. It was thought of more as a form-filling exercise, like numerous other returns, which have to be submitted to higher ups by a particular date. Another problem, and the most important one, is that long-term corporate planning with linkage to performance budgeting was absent. The problem was there not only in the case of the bank surveyed but whole of the banking industry. The problem is more due to lack of a well-defined long-term banking policy. The banks can draw up long-range plans in regard to inputs and outputs in all areas including finance to weaker sections, branch expansion, manpower needs--qualitative and quantitative, organisational structure, delegation system, control mechanism and the like.<sup>4</sup>

At the next phase of settlement, the regional manager is supposed to sit together with the branch manager to bridge the perception gaps on both sides. We have observed through interviews with the regional officers and the branch managers that these settlement sessions have turned out to be bargaining sessions. The branch managers complained that the regional officers always underestimated their draft business targets, especially deposit targets, whereas the regional managers felt that the branch managers voluntarily keep the targets at low level to avoid challenge. The regional offices were found to be more concerned with the output budgets and the input budgets were of least concern for them. Customer service was the most neglected aspect.

Although the next stage is that of monitoring and review, we would like to mention some of the problems which were universally faced by the branch managers at the implementation stage. Firstly, the managers were found to be wasting most of their time in clerical duties instead of developing business. Stationery was found to be another constraint. Managers were often critical of lower amount of staff resource. They were reluctant to take any action against erring employee because organisational support from the higher level was not forthcoming. Some of the managers did not believe in the existing definition of the command area. They wanted it to be as

wide an area wherefrom a branch manager would get business. However, if this proposition is accepted then many complexities are bound to creep into. On the part of branch managers it was noticed that they could not shed the past habit of referring even petty matters to regional office for clarification so as to avoid any decision-making. Thus, they were making the way clear for centralisation of authority. Frequent changes in banking policy by the Reserve Bank of India or in the corporate plans by the head office were also causing anxieties and strain on them to bring down the percentages of loans and advances for a particular segment, which was not possible overnight. Recovery was also a big problem. In order to show that they had fulfilled the targets, the branch managers often indulged in window dressing, sometimes at the advice of even regional office. But they forget the simple phenomenon that these inflated figures were the basis for the next year's projections. Thus, once window-dressed meant perpetual window-dressing for all times to come.

The last phase is that of performance monitoring and review. Monitoring is done at all levels, i.e., the branch level, the regional level, and the head office level. One of the basic tenets of performance budgeting is its participative style at both the stages of formulation and appraisal. It was noticed that participation at appraisal level was also missing as it was at the time of formulation. The regional office was often handicapped because performance reports were never coming in time. Inconsistency was also seen in different reports. The appraisal was more against the budgeted figures as against the progress made by branches of other banks operating in the same locality. Qualitative dimensions of performance were hardly reviewed. Some of the branch managers said that performance budgeting has been more a tool of reward and punishment in the hands of regional office. The one, who was in good books of the regional manager or who happens to be an office-bearer of the managers' association, his target was lowered and thus the job was made easier for giving him a certificate of appreciation and vice versa.

From the above mentioned experiences it should not be construed that the deficiencies lie only with the branches and the regional offices. The head office too should share the blame. Despite repeated assurances the coverage is still not more than 80 per cent. In its performance budget 1983, the bank says it "is eleventh in the series". But in one of the notes of the document it says "There was a pause during 1976 and 1977 and the system was revived in 1978." It appears that the head office has not taken the concept seriously. Head offices of none of the nationalised banks have so far been able

to integrate the three types of plans, viz., performance budgeting, district credit plans, and the credit budget. We have also sensed the problem of coordination between different divisions at the head office level. The head office has failed to transmit and transplant the idea that performance is to be measured of a branch as a whole and not of a branch manager alone. Non-adherence to time schedule is a problem with head office also. Head offices were also a party to the window-dressing. Interest on doubtful debts is often included in net profit (even of an account where recovery is almost impossible). The survey bank used to show in its performance budget --losing offices budget--in the early years but now it has stopped to do so.

Despite all these problems, we would not like to recommend that performance budgeting be wound up. The banks can present their account to all concerned in a better way only through quantified task. With the banks, it must be clear to all that the element of objectivity should be brought in at the earliest with total sincerity. Change in attitudes at all levels is a must. Performance budgeting has been in practice for the last 10 years or so. Hence it must go beyond the 'formative stage'.

#### CONCLUSION

Public undertakings should never think that their relations and responsibilities to the public and the state can be any different than if they were in the private sector. A public undertaking's responsibility to society is always so absolute that it can never be more or less. If they want to preserve their autonomy, the best way for accountability is to quantify the tasks and doing it accordingly. Ultimately it is the performance, how well it is done to the satisfaction of the government who sets the task and of public, for whom they perform. And in this great task, certainly, the technique of performance budgeting is of unlimited help.

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# The Need for an Ombudsman in Developing Democracies

Donald C. Rowat

THE OMBUDSMAN institution is an important new device for holding the executive accountable to the legislature in democracies. As an agency of the legislature, it investigates complaints from the public against the administration and, when a complaint is justified, it recommends a remedy. If the administrative authority refuses to accept the recommendation, the ombudsman agency will report on the matter to the legislature. It also issues an annual report with recommendations to the legislature.

The institution's great virtue is that, because it does not have the power to make binding decisions or to reverse or annul executive decisions, it does not interfere directly in executive actions. Instead, through its power to report to the legislature, it helps to hold the executive accountable to the legislature for those actions. It helps to enforce ministerial responsibility because, if a minister refuses to accept the ombudsman's recommendation, he knows that he must be prepared to justify his refusal before parliament and, therefore, must have very good reasons for the refusal. He is, thus, more likely to be prevented from acting in an arbitrary fashion, since he knows that his action will be made public.

By now, the ombudsman plan has been adopted in a large number of democratic countries, both developed and developing. This article will recount the remarkable spread of the plan among the developing countries in recent years, and will conclude with a discussion of its suitability for such countries.<sup>1</sup>

## EARLY PLANS

After World War II, because many of the developing countries were newly independent nations, they were adopting new constitutions and hence were searching for new democratic institutions. They, therefore, took an early interest in the ombudsman plan, and some of them adopted it at about the same time as it began to spread among the developed democracies.

The first adoptions among the developing countries were in

Guyana, Mauritius and Fiji. These former British dependencies are small states with populations under 700,000. The British Guiana independence conference of November 1965 made provision for the plan in Guyana's new constitution<sup>2</sup>, and the first ombudsman was appointed on the eve of independence in May 1966. The plan was also included by the 1965 Mauritius constitutional conference in the new constitution for an independent Mauritius.<sup>3</sup> The effective date of this constitution was delayed, however, until after an election in 1967. A provision in both countries is that the ombudsman is to be appointed by the government only after consultation with opposition leaders, and in Guyana he can be removed only for cause upon the recommendation of a special tribunal. Both countries have a racially mixed population, and in both cases it was thought that an ombudsman would be especially useful for investigating complaints of racial discrimination by officials. But Guyana's first ombudsman handled only about 150 complaints a year, and the present ombudsman receives only about 300. In Mauritius, the enabling legislation was not passed until 1969, and a Swedish judge was appointed to the office in 1970, but soon resigned because of interference by the government. The office receives only about 150 complaints a year. The new constitution granting independence to Fiji provided for the office in 1970. A judge of the supreme court was appointed as ombudsman in 1972, and was re-appointed for a third four-year term in 1980. He receives about 400 complaints a year, not counting numerous enquiries by telephone and in person.

In January 1966, the Ceylon Colloquium on the Rule of Law, which was attended by about a hundred jurists from the Asian and Pacific region, recommended the institution for that region, and in April-May 1967 the United Nations held a seminar in Jamaica on human rights, with the Swedish civil ombudsman as a guest expert.<sup>4</sup> The Latin American delegates agreed that the institution would suit their conditions, and urged the U.N. to publicise it in Latin American countries. These recommendations added considerable weight to the idea of ombudsmen for developing countries, for instance, in July 1967, the Jamaican section of the International Commission of Jurists proposed the plan for Jamaica, and it was eventually adopted there in 1978.

In this early period, it was also proposed for Hong Kong, Singapore, Malaysia and Pakistan. After Singapore's break with Malaysia, a constitutional commission for Singapore, headed by the Chief Justice, in December 1966 recommended constitutional provisions for an ombudsman much like those for Guyana and Mauritius.<sup>5</sup> The government of Singapore refused to accept the plan on the ground that there had been insufficient experience with it yet in Common-

wealth countries. Similarly, the Malaysian government did not implement a proposal prepared for it in 1968 by Sir Guy Powles, and provision for the plan in the new constitution for Pakistan was not implemented.

An early executive complaint system that was strongly influenced by the New Zealand model should also be mentioned. In April 1965, Tanzania's one-party state commission recommended that a five-man commission be appointed "to enquire into allegations of abuse of power by officials of both Government and Party alike." Accordingly, an act was passed in March 1966 providing for a permanent commission of enquiry. This commission receives complaints direct from the public and has the power of access to government documents. However, its members are appointed by the president and its first chairman was a former minister. It reports only to the president, he may stop any investigation, and the results of important investigations may not be made public. During their first months in office, the chairman and secretary visited both New Zealand and Israel. The commissioners also toured the country to publicise the scheme. As a result, they now receive over 3,000 complaints a year. Zambia, which is also a one-party state, set up a similar commission for investigations under a provision of its 1973 constitution.

#### INDIA: THE FEDERAL PROPOSAL

A strong push to the idea of ombudsmen for developing countries was given by the comprehensive ombudsman scheme proposed for India in 1966 by its federal administrative reforms commission. The ombudsman idea had been discussed in India for several years before then, and proposals had been made at both the state and federal levels. As early as 1963, for instance, the institution had been proposed by an official commission for the state of Rajasthan. Several other states set up ombudsman-like vigilance commissions to deal mainly with the problem of corruption. These commissions, however, are appointed by an responsible to the executive. Early in 1966, the punjab administrative reforms commission recommended, "in order to increase the utility of the Vigilance Commission, it should be made independent of government or ministerial influence."<sup>6</sup>

At the federal level, a committee on the prevention of corruption, had in 1964 recommended the creation of a central vigilance commission, headed by a single commissioner and composed of three directorates: general complaints and redress, vigilance and central police. The commissioner would be appointed for a six-year term and would have the same independence as the auditor general. His



functions and powers would be somewhat like those of New Zealand's ombudsman, except that he would also inspect for corruption and could initiate a prosecution against an official if he were not satisfied with the action taken by the government on his recommendation.<sup>7</sup> The government, however, accepted only part of the committee's recommendations. It did not make the commission independent of executive influence, and it rejected the proposal for a directorate of general complaints and redress. Instead, in January 1966, it appointed a commissioner for public grievances in the ministry of home affairs to supervise the handling of grievances and the work of new complaints officers in the ministries and departments, and to receive and review grievances himself. Till the end of March 1967, he had received about 1,400 complaints, and had obtained remedial action on many of them. The commissioner and the departmental officers, however, were part of the administration itself. In October 1966, the administrative reforms commission, in a special interim report, therefore, proposed a new scheme for independent, ombudsman-like grievance officers,<sup>8</sup> and his office was abolished in July 1967.

The new proposal was unusual in that it would include both levels of government and at the same time divide the top from the lower levels of administration. There would be a sort of super-ombudsman (the lokpal) with jurisdiction over both federal and state ministers and secretaries, and also a lower order of ombudsman (the lokayukta), one for the federal government and one for each state, to cover the levels below the federal and state secretaries. These officers would all be appointed by the President of India. They would be answerable only to him and to the federal or state legislatures, and would be independent of the federal and state cabinets. The lokpal would be appointed on the advice of the prime minister, but only after he had consulted the chief justice and the leader of the opposition. A state lokayukta would be similarly appointed on the advice of a state's chief minister.

The commission claimed that, though a constitutional revision would be desirable, the scheme could begin without such a revision. To an outside observer, it is difficult to see how such a scheme could be effected in a federal system without a constitutional revision. It is also difficult to see how the super-ombudsman could be made answerable to both federal and state legislatures, and how he and the sub-ombudsmen would be able to sort out their respective functions in a hierarchical system of administration for which ministers at the top are held responsible. However, the proposal represents an interesting attempt to divide up the heavy work of an

ombudsman in a huge federal country.

Evidence of the importance attached to the Commission's recommendations is that the first chairman became deputy prime minister a few months after the interim report was issued.

The states feared the supervision by the central government that such a scheme implied, however. As a result of their opposition, the central government accepted the proposal only for the federal level, and in 1968 introduced a bill to implement this part of the proposal. The bill provided for a lokpal and one or more lokayuktas whose work he would coordinate but who would decide cases at a lower level on their own, an interesting arrangement designed to handle a heavy caseload efficiently in a populous country. By the fall of 1970 the bill was passed by the lower house with amendments and was before the upper house when parliament was dissolved. The amended bill was reintroduced in August 1971, but the government lost its enthusiasm for it and let it lapse.

No further action was taken on a national scheme until the government introduced an entirely new lokpal bill in July 1977. This bill, however, departed far from the ombudsman concept. It was directed at political corruption and allegations of misconduct against politicians--ministers and members of parliament--rather than at ordinary complaints against the administration. In any case, the new Congress (I) government under Indira Gandhi was not in favour of the bill, and it too was allowed to lapse.

#### INDIA: THE STATE OMBUDSMEN

Meanwhile, ombudsman plans based on the proposals of the administrative reforms commission had been adopted by several of the states, though not all of these plans were implemented. The oldest state schemes are in Maharashtra and Bihar, where they went into effect in 1972 and 1973, respectively. A scheme was adopted by Rajasthan in 1973, but it can hardly be classed as a genuine ombudsman plan because it is exclusively for serious allegations of misconduct or corruption rather than ordinary administrative grievances. In 1977, a scheme like those in Maharashtra and Bihar went into effect in Uttar Pradesh. A similar plan was approved for Madhya Pradesh in 1981, and in that year a bill for such a plan was introduced in the legislature of Andhra Pradesh. Thus, by 1982, ombudsman plans had been established in three Indian states, two other states were in the process of adopting such plans, and an ombudsman-like plan was in operation in Rajasthan.

Because of India's tremendous population, its state plans cover larger populations than do any other legislative plans in the world.

Maharashtra and Bihar have populations of over 60 million, while Uttar Pradesh has more than 110 million.

An unusual feature of Maharashtra's plan is the provision for two ombudsmen--a lokayukta for complaints against ministers and permanent secretaries, and an up-lokayukta for complaints against officials below that level. The lokayukta was formerly a judge, while the up-lokayukta was formerly a senior official. In practice, the two ombudsmen share their work. Because there are naturally far more complaints against lower officials, the lokayukta takes over a number of these cases.

Another unusual feature of the state plans has made them far less effective than they should be. Because of the great concern with political corruption in India, all of them are primarily directed at allegations of misconduct against officials and ministers. Fearful of exposure, the state governments have limited their ombudsmen's independence, powers and budgets, and have delayed laying their annual reports before the legislature, sometimes for years. Also, their complaint and investigation procedures are unnecessarily formal and elaborate, especially for minor complaints. Partly for these reasons, the state schemes meet only a fraction of the need and the number of complaints is very small. For instance, the office in Maharashtra registers only 1,500 to 2,000 a year.

Because the Indians had high hopes that the ombudsman system could be turned into an instrument to fight corruption, Indian scholars tend to regard the state plans as a failure. Yet, the three schemes that have handled general administrative grievances have done much good work at remedying the kind of complaint with which an ombudsman ordinarily deals.

#### RECENT PLANS ELSEWHERE

In recent years, several other developing countries in different parts of the world have adopted ombudsman plans, some so recently that they had not yet been established at the time of writing. Those in actual operation were in Papua New Guinea, Trinidad-Tobago, Ghana, Barbados and the Solomon Islands. Under the new constitution for Papua New Guinea, a three-person ombudsman commission was established in 1975. In the same year, provision was made for an ombudsman in the new constitution for Trinidad-Tobago, and the scheme was implemented by an Ombudsman Act in 1977. Ghana's constitution of 1979 also provided for an ombudsman, to be appointed by the President acting in consultation with the council of states, and with the approval of parliament. This provision was implemented by an Ombudsman Act, and an ombudsman was appointed in August 1980. In

Barbados, an Ombudsman Act was passed in 1980 and went into force in January 1981, though an ombudsman had not yet been appointed. The Act contains many exclusions, and all complaints must be in writing. In the Solomon Islands, an Ombudsman Act was passed in 1980 and an ombudsman was appointed in 1982.

Ombudsman-like complaint systems were also established in Nigeria in 1975 and in the Philippines in 1979. A public complaints commission was set up in Nigeria by a decree of the military government in 1975, and the decree was incorporated into the Nigerian constitution of 1979, but it is not now classified as a legislative plan in the annual survey of the International Ombudsman Institute. The scheme covers not only federal, state and local government but also private companies. There are 20 commissioners--a chief commissioner and one in each state capital. They meet annually and issue a joint report with recommendations. In recent years, they have received over 6,000 complaints a year.

The scheme in the Philippines dates back to a provision in the constitution of 1973 for an ombudsman office to be established by the national assembly. This provision was implemented by a presidential decree in 1978 and went into operation in 1979. The ombudsman (called Tanodbayan) and four deputies for the three major island groups are appointed by the president for a seven-year non-renewable term. The office received nearly 4,000 complaints in its first year. Because the plan was implemented by decree and appointments are made by the president, it does not qualify as a legislative plan, and is no longer classified as one by the International Ombudsman Institute (IOI)

Provisions for legislative ombudsmen have also been included in the new or revised constitutions of several other developing countries, but had not been implemented by mid-1982. These countries include Bangladesh, where provision was made for the plan in the constitution of 1972, but an Ombudsman Act was not passed until 1980 and an ombudsman had not been appointed by mid-1982. The constitutions of Dominica (1978), Saint Lucia (1978) and Zimbabwe have also provided for the plan.

In Sri Lanka, a parliamentary commissioner for administration act was approved in 1981, but the office has been classified by the IOI as an executive one. Complaints must first go to the public petitions committee of the parliament, and the commissioner's decisions must be reported to the committee.

To sum up, by mid-1982, national schemes that are classified by the IOI's annual survey as general legislative ombudsman offices, were in operation in 10 developing countries and had been recently adopted in the constitutions of four others, as compared with the

twelve national plans in operation and two recently adopted in the developed countries. Such offices were also in operation in three of India's most populous states and were being created in two others.

### SPECIAL PROBLEMS

Influenced by all of these adoptions, other developing countries will no doubt take up the idea. The application of the plan to developing countries, however, has run into special problems. As I have already pointed out, the institution cannot cope with a situation where the administration is riddled with patronage or corruption, and it may fail if it is adopted in a truncated form, or in a form that subjects it to too much executive or partisan pressure. Unfortunately, in many developing countries, the administration is riddled with patronage and corruption. And the need for rapid development has put a premium on a strong executive, which is not likely to endow an ombudsman with sufficient independence or powers of investigation, even where two or more political parties are allowed to exist. Where one party is dominant, as in India, the independence of an ombudsman will no doubt be limited. In a one-party state, the ombudsman will almost inevitably be dominated by the executive.

Nevertheless, one-party states, like all states, have the problem of ensuring that minor bureaucrats in the field adhere to central policy and do not make decisions in accordance with their own personal whims or interests. For this reason, such states have an interest in one of the unique features of the ombudsman system, that of providing feedback from the people at the bottom of the administrative hierarchy to the politicians at the top. One-party states which do not have a Russian-style procurator are therefore likely to become interested in adopting a version of the ombudsman plan. However, this version will be a far cry from the original schemes. It will be an arm of the executive rather than the legislature, and will be more like an administrative control bureau than an independent investigator.

Although there are reasons for concluding that the ombudsman plan will not work as successfully in the developing countries, at the same time, the case for its adoption is stronger there. The pressure for rapid development means that individual rights and the fine points of fair legal procedure are more likely to be disregarded in the interests of speed, efficiency and the broader public interest. The bureaucrats in many former colonies have inherited from their colonial masters an attitude of superiority rather than

service, an 'insolence of office' which often leads to arbitrariness. And the people are often illiterate and fearful of authority, with little knowledge of their legal and human rights or even of how to articulate a complaint. The office will no doubt require adjustments to fit the special conditions of developing countries, such as allowing complaints to be received orally or by telephone, creating district offices, or having the ombudsman travel to receive complaints.

It may be true, as critics say, that the office is not very well equipped for hunting lions. But it can certainly swat a lot of flies. Even if it should work in the developing countries with only half the effectiveness of the original schemes, its adoption would be well worthwhile.

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# New Thinking About Public Corporations in Australia : The Accountability/ Autonomy Debate Revisited

R. L. Wettenhall

TWENTY YEARS ago, a Canadian political scientist teaching in an Australian university addressed the Indian Institute of Public Administration on "Public Enterprise in Two Dominions (Canada and Australia)". His two lectures told of the broad range of functions included within the public-enterprise sector in both countries, and of early movement--again in both countries--to develop the public corporation as a suitable instrument for government in business.<sup>1</sup>

The time of that presentation represented a watershed in the study of public enterprise. The year before Robson had published the second edition of his monumental British study, 'Nationalised Industry and Public Ownership', and Hanson was completing the second edition of his influential comparative study, 'Public Enterprise and Economic Development'. As the Working Group on Public enterprise of the International Association of Schools and Institutes of Administration (IASIA) discovered in its survey in the later 1970s, these were still the basic texts being used in the few serious study programmes for public enterprise management. The IASIA Working Group lamented that no new 'landmark books' had appeared in the intervening period.<sup>2</sup>

My familiarity with the Indian study is not great, though my impression is that its development has not been markedly different from that in Britain, Canada, Australia and elsewhere. If the Indian experience is indeed similar to that of the other countries mentioned,<sup>3</sup> then it has shared with them since that time a decline in the interest in public enterprise and its problems shown by political scientists and their associates.

In the decade or so after the conclusion of World War II, there was obviously much interest. The nationalisation policies of the major socialist parties - promising, for some at least, a new industrial utopia - then occasioned much excitement, and in a variety of countries the practical acts of governments in bringing more and more industries under state ownership and control afforded observers the opportunity to study the working out of those policies in real-

life situations. It was mostly at that time that the field's leading scholars developed their interest and made their main contributions and, as the IASIA Working Group Study reveals, it was then that this generation's texts were written.

So why the slump in interest? In Britain, France, India and elsewhere, the major programmes of nationalisation were implemented by the 1950s: what happened thereafter represented only adjustment to the system. Vast new problems of 'management' in public enterprise were emerging, but they were not as glamorous as the political/ideological issues involved in bringing public enterprises into being. So there was a loss of interest, and political science turned in other directions.

It is surprising that the new political science did not then notice the political fascination in what was happening in public enterprise - for the very recognition that there were these immense new management problems had a great impact on the socialist parties themselves. One by one, they came to re-examine their basic commitment and even to redefine their objectives so as to de-emphasise the attachment to the nationalisation of the means of production, distribution and exchange. After all, asked Gaitskell, Crosland and many others, was not the end of the socialist road something close to the old utilitarian prescription of "the greatest happiness of the greatest number"? And surely nationalisation could be no more than one possible means towards that end? Whereas a generation of socialists had seen nationalisation as synonymous with the good life, even as the end in itself, now it was seen as only one of a number of competing means - and, to many, a somewhat suspect means.<sup>4</sup>

In the event there was a shift in the locus of academic interest. As W.J.M. Mackenzie pointed out in a seminar in Canberra in September 1975, most of the new original monograph literature of the last two decades (at least in western countries) had come out of economics departments and been concerned with matters such as the commercial criteria for public enterprise, pricing policies and the measurement of efficiency.<sup>5</sup>

The established public sectors were, of course, still more often expanding than contracting, even if no longer in the form of mass nationalisation of whole industries. Moreover, the numerous smaller countries coming to independence in the 1950s, 1960s and 1970s found that they too had to rely heavily on public enterprise as the vehicle for national development. The problems of management loomed ever larger, and it is not so surprising that the United Nations family of agencies (and more recently the Commonwealth Secretariat), responding to the generality of world pressure for social and economic development, then assumed much of the responsibility for keeping



alive the study of public enterprise. Nor is it surprising that third-world scholars like India's Ramanadham and Fernandes have risen to prominence as part of this effort.

#### REASONS FOR REVIVAL OF INTEREST

There are many indications that the political and administrative analysts who lost interest in the public-enterprise problem in the 1950s and 1960s began to regain that interest in the 1970s. There may well be a variety of reasons: here I wish to focus briefly on four. Their interconnectedness will be readily apparent.

First, the ongoing work of economists has demonstrated that public enterprises have immense economic impact. In country after country, they are shown to be amongst the heaviest employers of labour and capital, so that movement in their activities is critical in a macroeconomic sense to the health of national economies. Moreover, their services reach vast armies of citizen-consumers, so that their charges and standards affect the micro-economic concerns of virtually every individual, family and business and social enterprise in the relevant population. Where voting matters, the political impact is, therefore, also immense. This much is now recognised more clearly than before. Yet the impacts may be very hard to measure precisely, so that parliamentary committees and others have been stimulated to commission much relevant research.

Secondly, we have become more aware of the machinery-of-government problem. Inevitably public enterprise has become caught up in the vast movement towards decentralisation of one kind or another, towards the 'hiving off' of executive agencies from the policy-making apparatus of central government. The administrative form of the public corporation stands as the primary monument to this tendency in the public enterprise field, although there are variants, such as the publicly owned or mixed-ownership company forms. Such forms have also come to be used in non-enterprise areas of government activity, adding to the complexities of the machinery of government. Thus, the UN's Dr. Faqir Muhammad identified the prevailing confusion between "public enterprises and authorities" as one of nine areas requiring immediate attention as we seek to improve the performance of public administrative systems generally.<sup>6</sup>

Thirdly, we have come to appreciate better the huge area of interpenetration between public and private sectors, and the critical role of public enterprise sitting astride the boundary between the two sectors - or probably more aptly, trying to keep afloat in the quicksands of the no-man's land where they meet. Probably the most inevitable characteristic of the modern mixed

economy is that the line between public and private will always be vague, always shifting, so reflecting the diversities and vitalities of the great variety of interest groups which go to make up the modern pluralist state. The USA is usually thought of as the citadel of private enterprise, but can anyone today seriously suggest that it too does not share this characteristic?<sup>7</sup> It was an American inspiration - from Alan Pifer of the Carnegie Corporation of New York - that stimulated the seminal explorations of the public-private interconnections undertaken through the 1970s.<sup>8</sup> These were the explorations which gave rise to the notion of the 'quango' (quasi-non-government organisation), which notion has assumed great importance in generating new ideas about the public corporation. One resulting insight is that an activity can be very near the private sector in style of management (i.e., where the public corporation functions as a largely autonomous governing body) while still remaining firmly public-sector based in terms of ownership.

Fourthly, we are now beginning to recast the much older arguments about the rival needs for control and autonomy in public corporations in terms of their policy relevance. The search for a 'policy science' has been a familiar feature of academic work in the social sciences over the last two decades. Now the recognition of the three factors noted above - the immense economic impact of public enterprises, the much greater complexity they have brought to the machinery of government, and their critical place in the system of public-private interconnections - has brought us to see the public corporation as a vital element in the whole public-policy environment. Paraphrasing Muzaffer Ahmad, we now see that a knowledge of the public-enterprise system tells us a great deal about the nature of the state in question!<sup>9</sup> This awareness has been developed most fully in a new study by Mascarenhas, an Indian scholar now working in New Zealand.<sup>10</sup>

#### THE ACCOUNTABILITY/AUTONOMY DEBATE REVISITED

The Carnegie Corporation's interest focused initially on the growing US habit of devolving government responsibilities to private organisations on a contractual basis. How accountability could be achieved under these arrangements was a vital question. So Carnegie sponsored conferences of eminent British and American politicians, public officials, business people and academics at Ditchey Park, Oxford, in 1969 and at Williamsburg, Virginia in 1971. There was a serious attempt to develop a new social-science vocabulary to assist in the study of organisations and their accountability: G (Govern-

mental, later 'go', where the 'o' stands for organisation); QG (quasi-governmental, alter 'quago'); QNG (quasi-non-governmental, later 'quango' - like the Carnegie Corporation itself); N (non-governmental, later 'nongo'). But confusions arose from differing national situations: the British were always more interested in the nationalised-industry sector (strictly 'quago'). Unhelpfully, 'quango' soon emerged in popular usage to cover both intermediate groups.<sup>11</sup>

Some of this thinking came to Australia in the mid-1970s. At this time, after a long period of organisational torpor, the Commonwealth and some of the state governments appointed royal commissions or committees of inquiry to review their administrative structures and processes. In several cases, these inquiries have been followed by reference of relevant questions to on-going parliamentary committees. Virtually for the first time in the nation's history, the full range of non-departmental public bodies has been opened for public inspection.

The resulting reports have much in common.<sup>12</sup> They have mostly lamented the too-easy assumption, in so many areas of public activity, that the form of the ministerial department should be by-passed. But mostly they have also recognised the need for non-departmental organisation in unusual circumstances, and the management of public business enterprise usually qualifies for such exceptional treatment. The form of the public corporation or its variant, the state company, is thus freshly legitimated.

These reports then go on to consider the accountability/autonomy equation, and there is a good deal that is familiar but also some things that are new in the ideas propounded. Generally:

- guidelines should be drawn up to regulate the creation of corporations;
- where corporations are established for good reason, their objectives should be clearly stated in the creating legislation;
- their special character as non-departmental bodies must then be respected, and accordingly all ministerial directions to them should be in writing and tabled in parliament;
- improved annual reporting and financial control techniques are recommended;
- public servants (and also ministers) should 'not' be appointed to corporation boards, because they blur responsibilities;
- 'sunset' provisions are suggested--sunset is a US notion requiring the automatic closure of an agency after a specified period unless the legislature specifically authorises its continuation; and

- attention is drawn, virtually for the first time in Australia, to two organisational variants which are now becoming more prevalent--the public corporation established by inter-governmental action to offer services no individual government can provide within its own constitutional powers, and so awkwardly accountable only to a miscellany of governments of varying political persuasions; and subsidiary bodies which public corporations create to escape some of the controls built into their own enabling acts.

There are, of course, contradictions, some of which were spelt out in the New South Wales report:<sup>13</sup>

- many corporation-run enterprises are justly noted for their great technical competence and the esprit de corps to be found in their staff groups;
- on the other hand, since their charters are fixed in statutes, they are less flexible than departments in adapting to shifts in the policy environment; and
- there is also a high degree of staff immobility, and their very autonomy makes the efficiency review process more difficult.

A similar concern about the use of subsidiaries to increase the range of activities of crown corporations contributed to the re-awakening of interest in Canada. There too, royal commissions have extended the inquiry into the autonomy/accountability issue, and efforts to tighten the apparatus of controls have been initiated. In the USA also, concern is expressed that Congress has exempted many recently created government corporations from provisions of the standardising Government Corporation Control Act of 1945.<sup>14</sup>

Recent studies of the British scene have stressed the other side of the problem. Through the 1970s Labour and Conservative governments alike have forced corporations to be models of restraint in price and wage rises, and so have turned their enterprises into industrial jungles and financial nightmares. Economic analysts are now suggesting, as seemingly the only possible solution, a more decentralised system of decision-making where "bets are hedged, change is gradual and issues are not politicised".<sup>15</sup>

There is also increasing interest in providing equity capital for corporations, and in compensating them for the costs of political intervention in their affairs for non-commercial reasons. The argument here is that, as the ultimate 'sovereigns', governments must have this right to intervene; but that, having created the corporation, they share an interest in its successful operation, and

should have to accept the financial consequences of interventions which harm the balance-sheet. This formula was described as the 'recoup system' when first introduced in the Victorian Railways in 1896.<sup>16</sup>

One associated assumption often made does, however, need to be taken with considerable reserve. This is the assumption that politicians all share common interest in promoting public enterprise efficiency: Australia provides several clear examples of anti-public-enterprise ministers and governments exerting themselves to secure the weakening and eventual abolition of corporations.

Much of this is 'not' new. Both sets of arguments - those for and against stronger central government controls, and those for and against more corporate independence - have been vigorously urged wherever and whenever governments have resorted to the device of the public corporation. In Australia, they go back at least one hundred years.

Is there, then, anything that is really original in this revival of thinking about public corporations? Are there any features of this interest which distinguish it from earlier waves of interest? I will now suggest that there are several strands of interest which represent substantially new approaches to the general problem.

#### Some New Approaches

Some new strands have already been indicated, especially the quango debate; the interest in sunset provisions, subsidiaries and intergovernmental corporations; and the recognition of the policy dimension. The reformulations involved are leading towards a deeper appreciation of the organisational manifestations of the public-enterprise problem.

The study of organisation is largely about relationships, and not surprisingly some of the keenest analysis has sought to break out of the unsatisfactory bind of the old-fashioned debate about public corporation-government-parliament relationships. Part of the progress made has involved intellectual debris-clearing, i.e., an appreciation of the inadequacies of old orthodoxies. Of course, not all current analysis has caught up with the new waves of thinking, but at least some pointers now exist.

Thus, we are now able to see that control, accountability, responsibility and autonomy are terms with loose meaning; moreover, that their very slipperiness is often deliberately employed by actors within the system (legislators, ministers, corporation board members and enterprise managers) for rhetorical purposes, or to establish positions of short-term advantage. Corporations need to hammer out the message of autonomy mostly when their affairs are

being threatened by unsympathetic actors elsewhere in the system; when the supervisory minister or parliamentary committee is supportive, it is alliance rather than autonomy that matters. On the control side, how often do we find ministers seeking to make all the electorally popular pronouncements about corporation affairs, but demanding that corporation chiefs be their own publicists for the other sort! Where does responsibility really lie for the relevant decisions? Does the corporation account primarily to parliament or primarily to the minister? And very few actors in the system want definite answers, for one day they may be harpooned by them.<sup>17</sup>

An awareness of this slipperiness has led recent British scholarship towards separating the various components of the accountability process. It is helpful to contrast situations in which *ex ante*, process, or *ex post* forms of accountability operate (or are appropriate); and to recognise that accountability can move out from a public corporation in several directions: upwards (to ministers and parliaments); horizontally (to peers and other reference groups, including some occasionally linked by direct representation on the board); and downwards (to clients and workers). Most attention has hitherto been directed to the upwards variety: what a challenge now to explore the others!<sup>18</sup>

Accountability should not, in any case, be seen as the end-objective. In Ramanadham's words, "the ultimate aim of all parliamentary relationships with public enterprises is to ensure their efficiency in broad socio-economic terms, i.e., in the light of the social choices implicit in the establishment and working of a given enterprises".<sup>19</sup> An early message in these terms is that so many of the controls governments and parliaments strive to retain trivialise the relationship with corporations, and so inappropriately focus political concerns. Broad, simple and strategic controls are necessary; restraints on corporate managements in so many areas of managerial detail are not. Thus, Seidman has recently observed that corporations in the USA, Britain and France are all 'over-controlled'; that departments advising ministers about corporations (and central personnel and budgetary control agencies) have mostly "conspicuously failed... to understand the essential differences between commercial undertakings and traditional government activities", and so become "the weakest links in the system".<sup>20</sup>

Seidman has been in the forefront of that small group of people seeking to promote the development of educational programmes suitable for corporation board members and managers - and politicians and departmental officials relating to them - who have come together in the IASIA Working Group already referred to. The movement is as yet in its infancy, but it hopes to persuade more

teaching institutions to acknowledge corporate public enterprises as a 'third sector' for whom the standard forms of education for public administration and for private-sector management are both inadequate.

In western countries at least, the corporations themselves have been strangely reluctant to recognise that they share many common concerns, and that their position may be strengthened if they develop a mutual interest in tackling their problems together. Some movement in this direction too is now evident. A broadly similar experience of adversity, largely brought about by government attitudes towards them, eventually led the British corporations to establish NICG (the Nationalised Industries' Chairmen's Group); and there is a parallel Irish body, the Consultative Group of Chief Executives of (non-civil service) state organisations. Such developments go some way towards acknowledging the force of the proposition that, if a nation or state needs cohesive 'macro strategies' for its public-enterprise sector, then the corporations themselves should be collectively involved in determining those strategies. Thus, a recent British survey has concluded that the British corporations are beginning to function as independent operators in interest-group political activity, and to become increasingly outspoken in their own concerns.<sup>21</sup>

One other really significant element in this new thinking about public corporations similarly finds its roots largely in the difficulties of the government-corporation relationship. Recognition of these difficulties has revived the ideological preference of conservative parties for pro-private-enterprise policies, so that in Britain (and to a lesser extent in Australia) there is also a strong desire to 'privatise' public enterprises wherever possible. There is no space to explore this argument in any detail, or the related revival of interest in 'corporatism' as a way of explaining the relationship between the modern state and industry and society generally. What does need to be noted here, however, is the fairly substantial trend that has now developed (certainly in Britain, probably in the US, and Australia is showing interest in following) away from the model of the public ('statutory') corporation towards the company form.

In this reconstitution, the first step is for the new company to be registered with 100 per cent government-shareholding; governments thereafter have much flexibility (i.e., without need for reference back to parliament) in disposing of some or all of the shares to private interests. As the British experience also shows, it then becomes possible for trade unions or other employee combinations to buy shares.<sup>22</sup> The outcome is to make the whole area of public-

private interconnections more complex and turbulent, while at the same time removing governments (so they hope) from the central stage of wage-bargaining and borrowing for a vast public sector.

#### CONCLUSION: SEIDMAN'S THIRD STAGE

Seidman once postulated that public enterprise organisation had evolved through three stages. The first was characterised by the assumption made, in a wide variety of national contexts, that ordinary departmental machinery could do the job. The second followed the nearly universal realisation that this was not so: the reaction produced the public business corporation and state company with a high degree of independence from political control. The third stage came with the recognition that the policies of properly constituted governments could be thwarted by such corporate independence: rejecting the occasionally advocated notion that there should be a return to full departmental management, it involves a search for compromise formulae retaining corporate management and flexibility within broad policy frameworks set by governments.<sup>23</sup>

I have argued that, while much that has happened in the revival of interest in public corporations over the last twenty years can hardly be described as novel, there are some undoubtedly original strands in the new thinking of actors within the system and of analysts of their work. Whether the new approaches will push us to a fourth stage beyond Seidman's search for compromise formulae is, I think, too early to judge. At this point in time, I believe, they can still be comprehended as part of the third phase; however, if the movement away from the public corporation towards freer forms of public-private association, more readily adaptable to market forces, gathers momentum, then we may well arrive at a fourth stage. If this does happen, then the new insights derived from the Carnegie-initiated work on quagos, quangos and cross-sector interpenetration may become vital tools to guide future policy-making.



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# Administrative Accountability in Bangladesh

Mohammad Mohabbat Khan

INCREASING GOVERNMENTAL intervention in the daily lives of citizens is probably one of the most significant features of this century. Monopolistic nature of most of the governmental activities has accentuated the process of amassing of ever-increasing array of powers in the administrative apparatus of the state. Both these, i.e., increase in governmental intervention and monopolistic nature of governmental activities have inevitably resulted in the strengthening, in terms of powers and positions, of the public sector bureaucracy. Bureaucratisation, especially in developing countries, like Bangladesh, have become unavoidable for a number of additional reasons. Representative political institutions have not been allowed, by successive regimes, to develop and function properly, politicians have miserably failed to earn the confidence and respect of the electorate due to their infighting on petty issues, craze for obtaining positions and pecuniary benefits and inability to feel the pulses of the people at the right time. Politicians have shown little respect either for the constitutions or people's rights. Military's role in state affairs, as a result, has become paramount. Military leaders, in the recent past, have seized political power at will and sometimes with considerable popular support. In the absence of a democratic political system, it is only axiomatic that the power of the bureaucrats will increase. It is understood that in today's complex world, it is not possible to have a civil service system which is inefficient and weak. Citizens of any country deserve a civil service which is efficient, possesses authority to discharge its mandatory functions, and knows how to apply discretion when situation so demands. But it is by now well established that power without restraint leads to misuse of power, position and authority and perpetuates mismanagement and encourages and institutionalises corruption. The misuse or abuse of authority can assume various forms:

Overriding or circumventing law; circumvention of violation of established procedures and power channels, dishonesty or lack of

integrity; gross inefficiency or incompetence; favouritism or nepotism; unethical or improper conduct; and above all, encroachment on rights and freedom of citizen.<sup>1</sup>

Realising the danger of an uncontrolled bureaucracy, every system of government provides a number of safeguards to protect the rights and interests of citizens. In a democratic state, where people's open participation in politics has been institutionalised, elaborate checks have been devised to control the excesses of public bureaucrats.

#### MEANING OF ADMINISTRATIVE ACCOUNTABILITY

Administrative accountability in this context refers to devising control mechanisms to keep the bureaucracy under surveillance and in check. Administrative accountability encompasses three categories of control mechanisms<sup>2</sup>: (1) external system controls, (2) internal system controls, and (3) internal individual controls.

##### External System Controls

'External System Controls' result when control over bureaucratic action emanates from outside the individual or from outside the particular segment of the organisation that is performing the function. The bureaucrat is made accountable through formal and informal and sometimes institutionalised means, i.e., laws, rules, regulations, court orders, press, ombudsman, interest groups, open hearings and meetings and citizen participation.

##### Internal System Controls

'Internal System Control' includes the mechanism of hierarchy within the organisation which "forces important decisions to higher levels of determination or at least higher levels of review where perspectives are necessarily broader, less technical and expert,... more political".<sup>3</sup> Hierarchy also allows the clients to appeal to superiors in the organisation if they are unhappy with the services of the subordinates. So both the functions of hierarchy help not only to control the actions of the bureaucrat but also to maintain the responsiveness and morality of the public bureaucracy.<sup>4</sup>

##### Internal Individual Controls

'Internal Individual Control' is composed of such things as the bureaucrat's attitudes toward the law, the value placed upon each individual as a human being, and the general personal moral hierarchy.<sup>5</sup> The control mechanisms included within this category are

informal as well as internal. The attitudes, values and the moral hierarchy of the bureaucrat depend on three major factors:<sup>6</sup> the socio-economic background of the individual; the type and extent of education received by the individual; and the professional ties of the particular individual.

#### ADMINISTRATIVE ACCOUNTABILITY IN BANGLADESH

Bangladesh, during its last twelve years' existence as a sovereign state, has been beset with a number of crucial problems. The twin tasks of nation-building and economic development have taken back seats. Political instability, military coups and attempted coups have robbed the nation of any semblance of democratic government. The growth and performance of representative political institutions at the local, sub-national and national levels have been far from satisfactory. All these and other developments have immensely strengthened the power base of the bureaucracy - civil and military.

Keeping in mind the theoretical framework and realities of Bangladesh as presented above, we shall attempt to discuss and analyse the nature of, mechanisms utilised and the scope of administrative accountability in Bangladesh.

##### Control by the Legislature

In any democratic country, legislators play a key role in influencing and controlling the actions of the bureaucrats. This has been the case in USA, UK, Australia, Canada and India. The legislators can ask questions, demand for discussion and debate, table motions and resolutions on specific administrative issues and actions. But the most important legislative control over the civil service is the control over its purse.

In Bangladesh, the provision of parliamentary control was incorporated in the "Rules of Procedure of Parliament of the People's Republic of Bangladesh" during the Awami League regime of Mujib (1972-75) and Zia's presidential government (1979-81). The rules provided for several control mechanisms, including standing committee on public accounts and committee on estimates, with elaborate functions.

In practice, both Mujib and Zia allowed little opportunities for members belonging to their parties Awami League (AL) and Bangladesh Nationalist Party (BNP) respectively to create an environment where civil servants could be held accountable for their actions. This was primarily because for both Mujib and Zia parliament was a mere show piece for everybody to see but of very little practical use. It

would be interesting to note that many parliamentary committees could not be convened because of the non-availability of required number of legislators. Parliament instead of becoming an effective instrument to control the excesses of bureaucratic action was turned into a rubber stamp in the hands of the all-usurping executive. Legislative functions were restricted to passing laws, approving budget, engaging in useless debates, raising mundane issues and unfortunately most of these were orchestrated by the executive branch behind the scene.

#### Control by the Judiciary

Judiciary in a democratic country performs five important functions<sup>7</sup>: (1) it restricts the discretion and arbitrariness of both the executive and administrative agencies; (2) it safeguards the rights and liberty of the citizens; (3) it helps in redressing the grievances of citizens; (4) it curbs corruption in government and administration; and (5) it can declare ultra-vires the acts of the government and administration if and when they exceed their jurisdiction.

The judicial system in Bangladesh provides a strong guarantee that individuals' rights and interests must not be encroached upon. The constitutional guarantees and executive decrees allowed the judicial branch of the government to freely exercise its authority not only to protect the fundamental rights of the citizens but to contain and penalise wrongful acts of the bureaucrats through issuance of directions or orders or writs like 'habeas corpus', 'mandamus prohibition', 'certiorari' and 'quo warranto'. Of course, this has been the practice of many countries which follow Anglo-Saxon system of jurisprudence, like UK, India, USA and many common-wealth countries. The one obvious limitation of this system is that judges cannot initiate action on their own as they have to wait for someone to bring a particular issue or case to them. This is very significant for a country like Bangladesh where most people have a tendency to avoid the court for fear of being entangled into a long-drawn out costly legal battle even when they feel aggrieved by particular action/actions of the civil servants. Still the judicial system is increasingly getting involved in reviewing administrative actions like in the USA.

#### Ombudsman

The name and concept of ombudsman has been borrowed from Sweden where it originated. Many countries have instituted the office of ombudsman within the government but kept it outside regular official hierarchy, the responsibilities of the ombudsman have shown little

variation from country to country. He receives complaint from aggrieved citizens, determines the validity and then undertakes a thorough investigation to resolve the problem.

In Bangladesh, through an act of parliament the office of ombudsman was created in 1980. The tenure of office of the ombudsman was to be three years. He would be appointed by the president. The functions of the ombudsman included investigation of any action taken by a ministry, a statutory public authority, or a public officer in any case where:

1. a complaint in respect of such action is made to him by a person:—
  - (a) who claims to have sustained injustice in consequence of such action; or
  - (b) who affirms that such action has resulted in favour of being unduly shown to any person or in accrual of undue personal benefit or gain to any person, or
2. information has been received by him from any person or source otherwise than on a complaint, that such action is of the nature mentioned in clause (a).<sup>8</sup>

Unfortunately nothing concrete came up after the promulgation of the law. No one was appointed to the office of ombudsman. The office of ombudsman never became operative.

#### Press as Watchdog

In Bangladesh, in spite of restrictions on its activities, the press has played a valuable role in publicising administrative irregularities, mismanagement, inefficiency and corrupt practices of the bureaucrats. Newspapers and magazines have devoted space to allow individual citizens to ventilate their grievances. In some cases, as a result of published news items and stories, government has taken steps to penalize, after investigation of the officers involved.

#### Citizen Groups as Guardians

In few cases, concerned citizens have formed groups to represent the cases of poorer and disadvantaged section who have been discriminated against by the actions of the bureaucrats. But nothing much has been achieved by the citizen groups.



### Executive's Role in Controlling Bureaucracy

By all account, the actions of the political executives have been relatively more successful in controlling the bureaucracy. Sheikh Mujib, among other measures, used Presidential Order No. 9, 1972, which provided for the dismissal of any bureaucrat without any right of appeal "in the interest of the People's Republic of Bangladesh". In January 1972, 53 senior civil servants were removed from office. From July to November 30, 1974, over 300 government officials were dismissed under Presidential Order No. 9. Many more bureaucrats followed the suit during the remainder of Mujib's rule. More significantly, Mujib abolished the constitutional protection (of jobs) to the civil servants which they had enjoyed during Pakistan days. These not only created a sense of insecurity among bureaucrats but made them dependents on the political executives.

Zia and Mujib attempted to control bureaucrats by creating new institutions with political people to oversee the activities of the bureaucrats. Zia's district development committees, envoy's pool, divisional development boards, Haor development boards, Swanirvar gram sarkar and Mujib's district governor scheme can be cited to illustrate the point made above.

Sattar, during his brief tenure as elected President, set up administrative tribunals to try cases of corruption and mismanagement of the bureaucrats.

The present regime of General Ershad has taken a number of actions to make bureaucrats accountable for their actions. These include martial law orders, formation of vigilance teams, setting up summary martial law courts, surprise visit of chief martial law administrator, deputy chief martial law administrators, zonal martial law administrators, etc., to vaccons, government offices, and development projects and instructing the bureaucrats to fill out regularly printed forms showing in specific detail their targets and achievements. As a result of all these, many bureaucrats have lost their jobs, i.e., for overstaying abroad, for failing to perform their assigned responsibilities and some have been sent to prison, i.e., for mismanaging and misappropriating public funds for personal aggrandisement, and for perpetuating nepotism and favouritism.

### Internal Mechanisms

These mechanisms<sup>9</sup>, based on hierarchy in Bangladesh, include disposal of public business within a specified time period varying from 72 to 24 hours depending on the level of the officer concerned, inspection, supervision, and annual confidential report (ACR). All these mechanisms pinpoint the responsibility of a particular officer at a particular level as well as provide guidelines how he is to

discharge his duties.

But internal mechanisms have failed miserably in Bangladesh to make any significant dent in the indifferent and arrogant attitude that most bureaucrats hold towards the citizens in general.

#### Internal Control

This control influenced by such factors as the socio-economic background, type and extent of education and professional ties of the bureaucrats have not resulted in the emergence of administrative ethics and code of conduct for the bureaucrats to follow. This is not surprising because bureaucrats in Bangladesh mostly come from middle class and well-to-do families, attend best educational institutions and on entry into the civil service maintain professional ties with individuals of their types. Their behavioural patterns become elitist. They simply cannot communicate with the masses who live below poverty line. Their values do not coincide with the masses. They cannot think of these ill-fed, ill-mannered and illiterates as their real masters to whom they should be held accountable.

#### CONCLUSION

Administrative accountability in Bangladesh is in an uneasy and uncertain state. The citizens, at least most of them, do not believe that those high and mighty bureaucrats are there to serve them and consequently be held accountable if they fail. Bureaucrats, on the other hand, cannot rationally explain to themselves as to why with their 'superior' background even the question of accountability will come to prominence. Military intervention, in the long run, will not ensure accountability. It has its own peculiar system of accountability which, if applied in the public sector, creates more problems than it solves.

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# Administrative Accountability in Canada

C. E. S. Franks

BECAUSE ITS system of government is based on the Westminster, parliamentary model, the central principle of accountability in Canada is ministerial responsibility. This doctrine according to Sir Ivor Jennings means that "Each minister is responsible to parliament for the conduct of his department. The act of every civil servant is by convention regarded as the act of his minister."<sup>1</sup> If ministerial responsibility were still the sole guiding principle, the only concern in administrative accountability would be how to make civil servants better accountable to their ministers. Accountability would be an internal matter of effective lines of responsibility and accountability within the executive branch. Whether for policy or administration, accountability to parliament would involve only the minister.

But, as a recent seminar held by the Institute of Public Administration of Canada concluded, "there is indeed an obvious problem related to the power and responsibility of the public service."<sup>2</sup> In the present world of public administration, "ministerial responsibility is no longer real or even practical as an ideal."<sup>3</sup> This is the crux of the problem of administrative accountability. The system of accountability is complex and confused. It has been changed frequently in recent years, but the changes have not satisfied the requirements of the traditional principle of ministerial responsibility. This principle now is unworkable, but no new principle has emerged or has been developed to replace it.

## ACCOUNTABILITY BEFORE 1968

Both the process and the nature of accountability are dependent on what government does, and the uses to which power is put. For much of Canada's early history, politics involved the widespread use of funds and resources by governments to consolidate their power and reward their supporters. The role of government was limited:

Since there was little government, the burden of administration

and law-making was light, and the leaders of the political party in power, the cabinet, devoted most of their time and energy to the intricate task of holding together a majority in the legislature and of employing for this purpose the patronage at the disposal of the government. ...the principal role of political life was not the administration of existing law and the making of new law, but the rewarding of those who took part in political life by the distribution of patronage. Patronage was a natural currency of public life and the power to dispense it was what, for the most part, gave a cabinet minister the authority he deserved. Sir Wilfrid Laurier's biographer wrote of the Laurier administration, 'the distribution of patronage was the most important single function of the government'.<sup>4</sup>

Both decisions on personnel within the civil service and decisions on the expenditure of funds were political. The opposition in parliament not unnaturally hunted for scandals in administration, while the government used its majority to prevent disclosure and investigation. There was no effective system of audit and accountability.

This system foundered in inefficiency during World War I. In 1918, patronage was eliminated from the civil service through the introduction of a strict merit system for promotion and appointment, controlled through a powerful central civil service commission.<sup>5</sup> Thus, ministers lost their responsibility for personnel administration, and accountability for this function was to the independent commission. In theory, this commission was accountable to parliament, but in practice parliament exercised no control over it.

Patronage and other abuses continued to pervade financial administration until the crisis caused by the great depression forced reform in the 1930s. Control over the use of funds was then, as personnel administration had been before, brought under the aegis of a new central agent, here the comptroller of the treasury. Departmental responsibility for making expenditures was diminished, and internal accountability was to the comptroller. Although the auditor general reported to parliament, the public accounts committee was weak, and accountability to parliament for the use of funds still virtually non-existent.

In the 1960s, under the stimulus of a royal commission on efficiency in government, a move began towards reducing these central controls because they were stifling administration and reducing efficiency.<sup>6</sup> "Let the managers manage" became a popular slogan. The issue was not accountability so much as autonomy and creativity, on the assumption that the delegation of increased

responsibility for personnel and finances would encourage efficiency and effectiveness. The position of comptroller was abolished, and the treasury board and its secretariat strengthened so that they could serve as the central control agency of government. The commission had proposed that controls should be strengthened through the system of appointing and monitoring chief financial officers of departments. But this accountability through personnel administration at senior levels did not become an effective control.

#### SINCE 1968

The period from 1968 to the present has been one of many and dramatic changes in administration and accountability. The background to this has been the growth of government in: first, the increasing revenues and proportion of gross national product which the federal government has raised in taxes, or borrowed, and disbursed to citizens, interests, and provincial governments; second, expansion of the number of government programmes, functions and intervention into the economy and society; and third, extension of the amount of discretionary authority granted to government by parliament for using funds, enacting regulations and statutory instruments, and in administrative and policy matters. For much of the sixties and early seventies the government was flush with funds and optimism. The electorate appeared to ask government to take on tasks of managing the economy and assuring the welfare of individuals; government in turn was more than ready to oblige. The advent of big government led to many changes which affected accountability.

First, the departments and other agencies have become large bureaucratic organisations. They are immensely powerful, very stable, and have developed their own approach and philosophy which dominated government activity in their respective sectors. As bureaucracies, they operate on self-interest of the organisation as much as, if not more than, subordinate parts of a government structure. The problems of controlling large bureaucratic organisations employing many thousands are vastly different from controlling the previous small administrative departments headed by powerful ministers, and performing only a few functions.

Second, political leadership has moved towards collective responsibility of the cabinet and away from individual ministerial responsibility. In the period before 1968, there was "a highly personalized style of selecting, developing and implementing policy".<sup>7</sup> This approach "relied on personal contacts, influence and position, not on structure to clarify government priorities, encourage a variety of ideas, or facilitate the coordination and integration of

policies between departments".<sup>8</sup> Before 1968, the civil service was managed by a group of eminent 'mandarins' who had been recruited during the depression of the thirties and World War II. This closely-knit group dominated administration and much of policy-making. Until 1957, the Liberal Government had comparably strong and stable ministerial leadership, and there was considerable percolation from civil service to ministry: Prime Minister Pearson was only one of many who moved deputy ministers to parliament and ministerial position. Though ministerial stability weakened in successive governments, the focus of policy-making and administration was still on departments and individuals.

The Trudeau Government, elected in 1968, rejected this departmental, individualistic system and replaced it with a 'systems approach' in which "structure and process became major determinants of policy. Emphasis was placed on designing the right structure which would enable the best policies to emerge".<sup>9</sup> Policy-making was to become 'rational', based on a stated coherent series of goals, objectives and priorities.

The new 'rational' system shifted power from departments to central agencies, particularly the privy council office (cabinet secretariat) and prime minister's office. The autonomy and authority of individual ministers and departments was weakened.<sup>10</sup> This new system of policy-making was complex. By now it has been largely discredited. Douglas Hartle, who was involved as a senior civil servant, criticised it because it "seems to be prone to delay, procrastination, bottlenecks, and evasion of responsibility. Everyone is consulted but few seem to be able to pull it together and, where necessary, cut gordian knots in a timely way. Too many arguments are based on procedure and too few on substance".<sup>11</sup>

This centralised rational policy-making system did not improve administrative accountability and responsibility. Emphasis on policy-making reduced concern for economy and efficiency, as did the growth of government revenues. Programme management and administration became less important. Departments, as is natural for large bureaucracies, put a great deal of time and energy into protecting their power base and regaining influence. The increased power of central agencies confused responsibility. Accountability suffered.

Third, control of finances deteriorated. On the macro level, government incurred deficits whether the economy was prospering or not. Deficits are now so large that they are a major factor in retarding economic growth. The departmental level was no better. In 1976 the auditor general reported to parliament "that Parliament -- and indeed the Government -- has lost, or is close to losing, effective control of the public purse".<sup>12</sup> Expenditures were being

made without due regard for economy and efficiency. Many critics have combined the two levels, leaving an impression that big deficits and bad management are the same thing. However, as R.B. Bryce, an eminent former civil servant has pointed out:

Government pay roll (broadly defined) is between one-fifth and one-quarter of the budgetary expenditures: . . . capital expenditures are only about one-thirtieth of the expenditures (as distinct from loans through certain agencies), and that over one half of the expenditures are for grants and contributions. One needs such information to gain some sort of idea of how much can be saved by improved financial and personnel management. In my opinion it is at most no more than one-fifth of the deficit that so worries...<sup>13</sup>

Large reductions in the deficit can only be achieved through reducing or eliminating programmes. These are policy and political decisions. So far they have not been appealing to the government or the electorate. Large deficits remain a problem, as does the question of how to reduce the size of government and narrow its role and responsibilities.

Nevertheless, at the micro-level economy and efficiency in administration needed to be improved. A Royal Commission on Financial Management and Accountability (Lambert Commission) was established to examine the problem. It recommended that deputy heads should be "much more effective accountable managers of their departments, with more authority and responsibility to ensure that programmes are efficient and effective".<sup>14</sup> The commission proposed that Canada change to the British practice of having deputy ministers rather than ministers accountable for financial administration to the public account committee and the treasury board. Deputy ministers would also become responsible for personnel administration. The role of the public service commission would diminish, while that of the treasury board and its secretariat would increase. The government re-established the position of comptroller, as a central government agent for overseeing financial administration. But movement towards assigning responsibility to deputy ministers has been very slow. The government still prefers to rely on ministerial responsibility.

Fourth, personnel administration has changed dramatically with the introduction of collective bargaining. Conditions of work, pay, grievance, and many other matters now come under collective agreements. These limit the powers of deputy ministers and other managers. As R.B. Bryce pointed out, ". . . it is very difficult to



remove an individual for incompetence in the performing of his duties. This is particularly important in the case of supervisors and middle management. The laws, and now the collective agreements, provide so much protection against unfair dismissal that they make efficient management much more difficult".<sup>15</sup> Insofar as management decisions are covered by collective agreements, accountability for them is as much through the grievance and bargaining processes as it is through internal management lines of accountability and responsibility.

#### THE PHILOSOPHY OF ACCOUNTABILITY

Central agencies and departmental management have to strike a balance between control through detailed regulation, and control through relying on management's inherent desire to achieve economy and efficiency--what Bryce calls their 'sense of frugality'.<sup>16</sup> The Glassco Commission proposed reductions in central agency regulations and greater reliance on the 'sense of frugality' in departmental management, bolstered by sanctions and rewards in the career development of senior civil servants. The growth of government and the strengthening of central agencies in the Trudeau years had directed attention away from programme management and more towards policy-making. At the same time, the treasury board, far from reducing paper work and regulations, has increased them. The Lambert Commission wanted to "strengthen departmental planning capacity, which appears in most cases to remain lamentably weak. Far too much of their resources were consumed in responding to central agency demands for more form-filling and mute compliance with barely understood objectives".<sup>17</sup> Control in Canada has been more through detailed regulation and centralisation than through audit. It has attempted to prevent inefficiency and waste, before they happen. The cost has been cumbersome, unresponsive administration, and departmental management with a weak sense and responsibility. The system has been directed towards prevention of misdeeds rather than towards the encouragement of good management.

It would be preferable to give departments more administrative autonomy. The problem with this sort of decentralisation is to ensure that the bad managers are detected and punished, and the good ones rewarded. Several factors prevented this in recent years. First, deputy ministers and assistants tended to stay in office so short a time that their sins did not catch up with them. A reputation was made more by having policy proposals accepted--and not necessarily even implemented--than by good management. Second, the buoyancy of government revenues meant that the ability to spend

money plausibly was as much a virtue as frugality. Third, the public service became a series of large, separate agencies. The cohesion and collegiality created by a small band of senior mandarins who had worked together for decades, who controlled the management of the public service, and who had an innate concern for economy, disappeared through growth and retirement. A new breed of public servants emerged with an ethos less oriented to public interest and frugality, and more oriented towards career advancement and making a mark through bold plans and expenditures.

But, and crucial, the audit process in Canada has never been strong. Regardless of how strong managers' sense of responsibility and frugality, an awareness that sins will be detected is a powerful persuasion to propriety. This is accomplished through an audit process which, in Gladstone's words, closes the circle of control. For much of Canadian history the audit system has not been effective enough to deter government from unwise, improper, or uneconomical uses of funds and personnel. To the extent that governments used patronage and made expenditures for less than wholesome motives, the cabinet had no interest in an audit process which would uncover misuse of funds. The auditor general has in recent years been a powerful figure, but the public account committee has been weak. There has not been a strong follow-up system on its recommendations, nor have the treasury board and the committee worked together to ensure improvement. The Canadian tradition is through control by regulation rather than through choosing wisely, confiding liberally, and auditing carefully. It will be difficult to change.

In recent years, the auditor general has moved away from a detailed examination of individual expenditure decisions and towards a comprehensive audit, which has been described as "a systematic, systems-based audit encompassing the traditional elements of information for the legislature, opinions on financial statements, adherence to legislative authorities, and safeguarding and controlling assets, as well as the value-for-money element to measure and report on the success of programmes in achieving their objectives".<sup>18</sup> Implicit in the comprehensive, 'value-for-money' audit are the assumptions that goals and objectives can be established for government programmes, that the success of departments in achieving these goals can be measured, and that a cost and benefit calculation can be made for programmes.

The comprehensive audit has been criticised on several grounds.<sup>19</sup> First, clear and measurable objectives cannot always be established for programmes. Most research, cultural activities and redistribution (which assumes a different value for money in different hands) are, for example, almost impossible to evaluate objectively.

Second, there is often a difference between the stated and real objectives of programmes: "the stated objective of the dairy price support program is to stabilise the income of efficient farmers. The real reason, as we all well know, is to raise the income of dairy farmers and, particularly, low income (usually inefficient) dairy farmers. . . More often than not these real purposes are not admitted, at least officially".<sup>20</sup> Third, this approach can confuse even further the distinction between politics and administration.

If the audit process begins to second-guess political judgement of the value and desirability of policies and programmes, there is a strong likelihood that it will become partisan, making the legislative audit partisan as well. Since one of the problems of the public accounts committee in Canada has been an excess of partisanship this risk is by no means trivial. A partisan public accounts committee cannot perform an effective audit. The opposition will try to score political points, while the government will protect itself by preventing inquiry. The circle of control will not be closed. It is possible that the auditor general's very legitimate concern with the overall financial well-being of government will lead the audit into political and policy matters and away from a strengthening of administrative accountability.

In spite of these worries, the comprehensive audits performed by the auditor general have been constructive and valuable, and have not trespassed into contentious political areas. They have dealt with issues for which administrators could legitimately be held accountable.

#### PROBLEMS IN THE PRESENT SYSTEM

Many of the present problems in accountability are growing pains, and indigestion caused by government trying to do too much too quickly. The slowed growth of government revenues in recent years, and increasing scepticism about the capacity of government to accomplish what it claims to do, appear to be leading to a slowdown of growth and change. Stable policies and administration could mean that for the first time in many years administrative efficiency and effectiveness can be looked at in a coherent, long-term fashion. This should, by itself, lead to improvement.

But there are other fundamental problems which need to be considered. First, the respective responsibilities of central agencies and departments need to be clarified. The government, in arguing against the proposal to make deputy ministers instead of ministers responsible for the use of funds said: "As government has learned through the blurring of individual responsibility by the

imposition of central controls, responsibility shared tends to be responsibility shirked.<sup>21</sup> This criticism is even more applicable to ministers and departments in relation to cabinet. Policies are ultimately interpreted and implemented by departments, and departments need to be committed to them. The interaction between ministers and their departments, central agencies, and parliament in policy formation need to be re-examined so that responsibility and accountability for administration are clearly assigned to and accepted by departments.

Second, neither academic nor government thinking about central institutions has yet come to terms with the major new development of modern politics: the growth of huge, bureaucratic government. The Privy Council Office claimed "ministers are constitutionally responsible. Public servants are not".<sup>22</sup> But in the modern age two different systems meet at this level, the bureaucratic and the political. They operate by different rules, are motivated by different forces, hold different tenure and responsibility, and are answerable to different masters. Many of the problems of policy-making and accountability discussed above are at heart problems of the political sector of government trying to control the bureaucratic sector. Ministerial responsibility is now clearly not an adequate principle. Perhaps it was when government was limited and departments were small, but that era is long since gone. There are some things, like policies and the budgets, which ministers should clearly be responsible for, and others, like the management of programmes, which are clearly administrative and the responsibility of the bureaucracy. Limits should be established to ministerial responsibility, and a sector for bureaucratic responsibility should be identified. Controls and methods of accountability appropriate to bureaucratic organisations should be established for this sector.

Third, the role of deputy ministers -- permanent heads -- is particularly confused. They have both administrative and policy responsibilities, and are the link between the political and the bureaucratic sectors. They hold office at pleasure, in practice at the discretion of the prime minister, and are rotated from position to position rapidly. They are not part of the protected merit system. Recently a deputy minister of finance asked to be relieved of his post. In his letter of resignation, "he made a point of explaining his action as a personal testimonial to his belief in the tradition of an objective and politically neutral senior public service, but at the same time went out of his way to accept personal responsibility for the much maligned budget submitted by his minister..."<sup>23</sup> As Professor Hodgetts comments, "it is bewildering to find a senior deputy minister, in the highly policy-oriented

department of finance, accepting full responsibility for a budget brought down by his minister . . . despite the undoubtedly high-minded intention of the deputy, both the doctrine of ministerial responsibility and the convention of a politically neutral senior civil service took another body blow."<sup>24</sup>

Fourth, discussion in Canada of accountability and responsibility has largely neglected the exercise of discretionary powers by government. Interference in the economy and the lives of citizens for better or worse through quasi-judicial powers, administrative fiat, and arbitrary decisions are features of modern administration. These powers are still in large part exercised under the name of the minister. The lines of accountability are internal. But the time has come when public servants should be made accountable personally for their use of discretionary power. The appropriate path would be direct delegation of powers by law to public servants rather than to ministers, and a systematic process for accounting for the use of these powers, through review by administrative law tribunals and courts.<sup>25</sup>

Finally, the process of accountability for crown corporations, boards and commissions needs to be re-examined. These now include at least half the employees of the crown. Their responsibilities and accountability are in general even more confusing than those of the public service proper.

#### TOWARD IMPROVEMENT

The outlines of a better system are implicit in the discussion above. First, ministerial responsibility should be limited to political decisions such as: (a) choices of policy, (b) major financial policy such as budgets, borrowing and taxation, and (c) the exercise of discretion in important issues, or where politicians over-rule public servants. The process of accountability for these decisions should remain in political channels to parliament and the electorate.

Second, deputy ministers should be made responsible and accountable for management and administration. The system of accountability through the auditor general to the public accounts committee should review their performance. This review should be bolstered by internal accountability to the comptroller of the treasury and the public service commission. The careers and effectiveness of senior civil servants should be monitored by central agencies so that good management and concern for economy are rewarded. The emphasis should be on accountability through audit, rather than on control through regulation.

Third, civil servants rather than ministers should by law be assigned many types of discretionary powers. A system of administrative law tribunals and courts should review the exercise of these powers. This review should not only be of whether or not the letter of the law was obeyed, but also of whether due process and natural justice were observed.

Canada, with these changes, would depart from the traditional Westminster model of parliamentary-cabinet government. But Canada is already a long way from it, and it is time for theory and the machinery of government to catch up to administrative reality. This proposed system would, as do most constitutions other than those based on the Westminster model, recognise the distinct roles of politicians and bureaucrats. It would assign responsibility for administration to administrators. The beguiling mirage of ministerial responsibility would, with these changes, occupy a lesser but more realistic place. The problems of controlling large bureaucracies would begin to be identified and squarely faced as something distinct from party politics.

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# Administrative Accountability in the United States

O. Glenn Stahl

PUBLIC EXPECTATIONS regarding government performance represent some of the most complex and baffling aspects of democracy. They are based upon genuine effects and feelings but necessarily very limited information. These expectations shift from time to time and from place to place. Yet, to the perennial amazement of political pundits, an amorphous, ill-informed, inarticulate public periodically asserts itself in surprisingly effective ways. Not all of it regularly visits voting booths--but its performance at elections somehow reflects rather clear trends of thinking and of rejection or support. This public is composed of a bewildering array of conflicting discontents, but miraculously the voice of the whole manages to emerge at crucial points. And eventually each generation settles down to acceptance of compromises that seemed highly improbable a generation before.

Within all this unfathomable yet fascinating confusion known as democracy, one notable condition persists throughout most of the history of the United States of America: the negative perceptions about government in general and about 'bureaucrats' in particular. Even this most persistent of political phenomena is characterised more by broad generalisation than by disapprobation of specific wrongdoing of persons. When the American people express (or assent to) displeasure with government performance, they repeat or tolerate the mindless diatribes that have become part of the culture about bureaucracy even when they are not part of anyone's actual experience with bureaucrats as individuals.

By the very nature of democracy, some elements of the tendency to be hypercritical of civil servants will always be with us. The aspect of this tendency that must be preserved is 'a continual public alertness to hold officials accountable for their actions'.

[NOTE: This article is based on the research and discussions set forth in the 8th edition of the author's book, PUBLIC PERSONNEL ADMINISTRATION, New York, Harper & Row, 1983, principally chapters 20 and 21.]



It is this nugget of 'good' in the public preoccupation with bureaucracy about which this article is concerned. No amount of resentment over public misconceptions about bureaucrats erases the need to stress the pinpointing of responsibility in government employment to see that the instruments of accountability function effectively. While the public expects extraordinarily rigorous standards of conduct on the part of its public servants, it cannot afford to relax efforts to create those conditions of employment and those features of openness and accountability that are essential to viable democratic government.

This, then, is the foundational philosophy for administrative accountability in government in the United States. To understand it, we must first examine the nature of constraints upon public employee performance.

#### CONSTRAINTS UPON ADMINISTRATIVE PERFORMANCE

##### Formal Controls

No bureaucracies in the world are hedged about as much as that in the United States with so many laws and procedures designed to keep bureaucrats from making mistakes or failing to serve the public interest. Space permits highlighting only a few basics. The first and most obvious control--and one common to all governments the world over--is the appropriation or withholding of funds. In the American situation, however, the legislative body exercising this financial control also goes way beyond it into what is termed 'legislative oversight'. Through a highly developed system of committee hearings, staff studies, and periodic questioning by individual legislators, congress and state legislatures dig far more deeply into the details of administrative decision-making than do their counterparts anywhere else. The other feature of American practice that greatly exceeds that in other countries is the meticulous intervention of the courts. Extraordinarily liberal interpretation of constitutional provisions and statutes has led the majority of jurists into determinations that in other places would definitely be left to administrative judgement.

Both benefits and drawbacks to the democratic polity result from these intensive formal controls over the bureaucracy. They are necessary up to a point. But when they surpass the bounds of reasonableness they: (1) induce in the halls of bureaucracy traits of timidity, indecisiveness, and self-protective behaviour, and (2) discourage entry or retention in the public service of the most creative and venturesome minds--both of which effects do not serve the cause of responsive and accountable government in the long run.

Of course, the most obvious and elementary formal control on performance is that imposed by the very hierarchy of organisation. Even this can be carried to an extreme, so that the speed and effectiveness of government action is handicapped by lack of delegation of authority and decentralisation of function. Still other formalities of organisation life deserve mention in this catalogue of controls: the watchful eye of the press, the various devices for citizen participation, the requirement for open hearings (such as provided in 'sunshine' or 'freedom of information' laws), and in some places the establishment of 'ombudsmen' who hear complaints from citizens and attempt to work out problems with administrative agencies without resort to litigation.<sup>1</sup>

### Informal Controls

Beyond the more obvious formal controls holding public employees to strict accountability, there are several informal mechanisms that may be at least as important but are usually without the inhibiting and negative shortcomings of the more formal systems. The first of these is the awareness of the viewpoints and responsibilities of other units in a bureaucratic organisation. Even when they have no sanctions over the latitude of a particular official, the mere knowledge of where they stand and the potentiality of confrontation are often sufficient to discipline the official to think twice before taking precipitous action. Perhaps even more constraining are the standards and codes of one's profession or occupational specialty. Certainty that a decision will be commented on by one's compatriots outside exerts a substantial influence upon how it is arrived at. More subtle, though nonetheless significant, are these considerations: the sense of responsibility felt by a public servant when a prospective decision can have manifold impacts; the levels of education of workers in the public agency involved; and the general makeup of the organisation's staff, its representativeness, its age distribution, and its experience. All such factors are just as likely to impinge upon an employee's actions as do the more formal compulsions of legislative, judicial, or other overt controls.

One might well assume that all these restrictions--formal and informal--are more than adequate to ensure bureaucratic performance of probity and rectitude. But still other constraints--even more unique to the United States--deserve special focus in this paper.

### ETHICAL IMPERATIVES

The first of these additional factors is the matter of ethical expectations. The group upon which the greatest moral attention

centres is that comprising the professions, the managerial specialties, and the executive classes in general--occupations in which some degree of judgement or discretion is exercised in the execution of public policy. Several aspects of ethics in government agencies affect our interest here in administrative accountability.

#### What Ethical Behaviour Embraces ?

To many people, ethical performance in public positions means simply avoidance of blatant, overt corruption involving money--such as the acceptance of bribes in return for dispensing some favour or for exemption from some governmental imposition or the taking of actions that advance one's own financial interests. Concentration on this type of unethical behaviour has three flaws: it is a negative and limited view of ethics in public service; it focuses upon the relatively rare, the crudest, and often the least important violations of acceptable performance; and it misses the common, subtle, and serious breaches of truly ethical action. This elementary view, so often stressed in laws intended to induce good behaviour, completely overlooks that men and women are more likely to succumb to their prejudices, ideologies, and limited perspectives than they are to the prospect of monetary gain. Preoccupation with officials' financial status--their wealth, their outside income, or their investments--fails to stress the really important conditions that might affect their acting for or against the public interest. Yet this is the area, regrettably, upon which American efforts are concentrated.

The real world of administrative behaviour admits of few opportunities to promote fiscal advantage. But it abounds with opportunities to give vent to one's narrow outlook--to favour groups with whom one especially identifies, to bestow special benefits upon persons who in one's estimation 'deserve' favoured treatment, to stretch the meaning of laws, contrive elaborate and confusing rules, and make dubious decisions that reflect the public servant's own desires and objectives rather than the intent of law or the interests of the public as a whole.

A similar omission lies in the failure to recognise that incompetence is itself a form of corruption. William J. Siffin put it well:

The depravity of corruption is not limited to lying, stealing, and mayhem. It extends to the violation of the principle of not wasting scarce resources. . . . Under this principle it is corrupt to engage in incompetent highway maintenance and inept school operation. It is also corrupt to engage in projects to create

jobs and redistribute wealth when all the evidence suggests that the plans are too complicated and too fragile for success.

The corruption of incompetence is usually excluded from the concerns of corruption fighters. But it is not profoundly different from credit schemes which cause the wrong people to get the money, or 'land reform' arrangements which merely reconfigure the basis upon which the same people control the land. In practice, the line between corruption as profaning moral principle, and corruption as lack of integrity in the conduct of an action system, tends to blur. In many ways, the corruption of ignorance and stupidity is fully as evil in its effects as witting theft and wilful exploitation.<sup>2</sup>

#### Interpreting Public Interest

Appreciating which action among alternatives is in the public interest is sometimes more difficult than resolving to do the right thing. Problems of conduct arise for the public official by virtue of the power and influence he commands and the commitment he undertakes for loyal and disinterested service to the public. Where authority is derived from the consent of the governed public administration must serve the public in a manner that strengthens the integrity and processes of democracy. This fundamental principle has at least three implications for performance in a government position, especially as we move up the hierarchy to those of greatest responsibility: (1) all the people must be served, equally and impartially; (2) this must be achieved with full respect for and reliance upon representative institutions; and (3) internal administration in public agencies must be consistent with these modes of behaviour. Each warrants some elaboration.

The civil servant, as well as the politician must, above all, think in terms of the total welfare, the overall good, the long-range effect, and eschew the temptation to please just the individual or group pressing its case before him. The late Paul H. Appleby expressed it aptly: "In nearly all administrative decisions the sense of virtuous performance is to be pursued by attempting to inject some increased allowance for the more public interest and some increased concern for those citizens not immediately present or heard."<sup>3</sup>

This simple counsel comes about as close to a universal definition of how to pursue the public interest as can be found. The problems of overt corruption get all the attention, but the most subtle issue in public service ethics is 'how to find and attain genuine service to the broadest possible interest'. The objective

is neither clear nor easy. It is not too difficult to regulate the behaviour of officials on outright or potential conflicts of personal interest with public welfare, especially where a money measure is involved. "The harder and infinitely more important issue of administrative morality today", says Frederick C. Mosher, "attends the reaching of decisions on questions of public policy which involve competitions in loyalty and perspective between broad goals of polity (the phantom public interest) and the narrower goals of a group, bureau, clientele, or union."<sup>4</sup>

The responsibilities of government employees to the public, to the law, and to their current political leadership are tied together by the common bond of democratic consent-which leads to the second aspect of the democratic base for public service ideals. One of the most difficult principles for the average civil servant to appreciate and to honour is his complete dependence upon the will of the people. Having once achieved his post, he is quite understandably inclined to resent any intrusions upon his time and his authority that appear to sway him from pursuing his mission as he understands it. He has trouble seeing how any legislator or any citizen could possibly have an interest in what he does. He forgets that in exercising those discretions assigned to him he is obligated in his deliberations to listen to, to consider carefully, and to weigh the viewpoints of others as to the meaning, intent, and spirit of the law he administers. Even when he has grounds to believe that a decision being urged upon him is the self-serving traffic of some narrow, petty interest, he cannot completely ignore it. Democratic government can succeed only if its agents display a healthy respect for and intelligent understanding of the democratic environment.

Finally, in this dissection of democracy's meaning for ethical performance, we must consider the character of a public agency's internal administration. A cardinal tenet of democratic faith is respect for human personality, for individual dignity and worth. If the success--and coincidentally the moral quality--of an administrative undertaking depends ultimately upon the capacity, the integrity, and the motivation of its workers, then it would be the better part of wisdom to view the manner of running the enterprise as a major contributing factor in achieving a moral climate. An organisation is effective in almost direct proportion to the degree to which its employees have pride in its work, identify personally with its goals, and sense a genuine opportunity to participate to their fullest capacity in attaining its mission.

In considering the treatment of those who are expected to make ethical decisions, we must not overlook the civil liberties of public employees themselves, especially their right to privacy. The

thrust of so much legislation in the United States is to deprive government people of the protections they are enjoined to honour in the case of others. Forced disclosure of the public servant's financial status, for example, may tempt government personnel to acquiesce too graciously in such intrusions into their privacy and thus make them insensitive to the value of privacy for others.

To put it in the broadest terms, we cannot expect officials and civil servants to have a genuine feeling for and be motivated toward a truly democratic role vis-a-vis the general public wherever there is little democratic practice and recognition of the dignity of man in internal administration.

#### Risks of Specialisation

Another ethical aspect of administrative accountability relates to problems of specialisation. Both specialisation of the individual and the institution entail risks in administrative action. Since specialisation has its advantages and since it is idle to think of dispensing with it in any true sense, it behoves us to understand it and to live with it- including being aware of its limitations. The public servant must not only ensure that his technical judgements are enriched by value principles and his decisions infused with concern for human needs and goals, he must first of all try to see his whole field in perspective. In pursuit of the 'general' welfare, "there must be care not to confuse one's professional viewpoint, functional preoccupation, or personal prejudices with the public interest."<sup>5</sup> Indeed, reconciliation of the necessary dependence upon experts in government with the realities of public needs and with the inexorable pressure of change poses a central problem of statesmanship and is therefore at the heart of the civil servant's moral imperatives.

Well-meaning concentration upon narrow objectives with single-track techniques, by both bureaucrats and outside pressure groups, is undoubtedly the source of more unethical behaviour than is outright corruption. It is a more undetectable and therefore a more insidious evil. It can be practised by otherwise good people with the noblest of intentions. Its remedy can never be reached by arbitrary restraints or punishment; it can only be treated by a wise personnel policy that makes the fullest use of all the methods for broadening the perspectives of specialised staff-continuous training exposures, periodic attendance at professional meetings, and diversification of experience through new assignments, rotation, and teamwork.

## SUBORDINATION AND INSUBORDINATION

One issue, although it also has a clear ethical content, requires special treatment in connection with matters of holding government workers accountable--the relationship between boss and subordinate.

### Nature of Decision-Making

Decisions in public agencies are rarely the product of a single individual. Arriving at a conclusion on some policy issue or on application of a policy to a case is almost invariably a shared process. Ideas and solutions are researched, debated, checked, and weighed sometimes to the point of exasperation for the interested citizen on the outside. From the standpoint of making sure that an action truly serves the public interest and is consistent with law, a carefully followed procedure is both understandable and praiseworthy in the light of the very principles enunciated here. But multiple reviews and checks also have their drawbacks. For one thing, they take time. For another, they inhibit maximum delegation of authority down the line--a cardinal principle of good management. Finally, they diffuse responsibility so widely that it becomes difficult to determine who did what. In spite of the usual newspaperman's conception of how bureaucratic decisions are made (springing miraculously from the head of the top administrator who thereupon calls in his lackeys to carry them out), the fact is that they are necessarily institutional products. They are the fruit of many minds, the emanation of numerous inquiries and discussions.

### Institutional Loyalty

This reality leads to some very perplexing problems for the conscientious performer and for management style. How far can individual initiative be fostered within the hierarchy and still insure a proper role for institutional (or collective) responsibility? Where does zeal for the right end and insubordination begin? Where does loyalty to a profession become disloyalty to the hierarchy?

Such questions clearly occur when the individual employee finds himself in disagreement with his supervisor. Where the morality of a prospective action is involved, he must first of all decide for himself whether it is an isolated instance or whether it is part of a total pattern of behaviour. He must also think in terms of the larger good. Is the supervisor's view justifiable in that light, even though he may continue to think of his own view as preferable in a more limited context? Is it possible that others will find as much rationality in the supervisor's judgment as in his own? In

short, can he be certain that he is right and his supervisor is wrong?

Generally the issues are of a nature on which reasonable persons can differ. Only when the employee has serious evidence of wilful violation of the law, blatant corruption, or equally obnoxious misdeeds is he in a position to take his case outside the organisation. Differences in point of view or interpretation are part of the normal grist of the bureaucratic mill. But the moral issues do occasionally arise, and potentiality of facing up to them should be part of every intelligent civil servant's fund of mental and emotional preparation.

#### Questionable Reliance on 'Whistle Blowing'

In the exaggerated reaction to the misdeeds uncovered during the Watergate scandal in Washington the understandable anxiety to prevent recurrence led to the customary prescription or doubtful remedies. One of these was the provision of the 1978 Civil Service Reform Act designed to protect 'whistle blowers'-- employees who seek to expose what they consider to be violations of law, policy, or sound management practice. The Merit Systems Protection Board is empowered to stop any personnel action that is allegedly in reprisal for 'blowing the whistle' on top management and to require an agency to make a full report on the matter to the president and the congress. This has stimulated some publicity-seeking members of congress even to propose substantial monetary rewards to whistle blowers.

With no evidence after five years that this provision has led to uncovering any genuine wrongdoing in US executive departments, this incentive for insubordination is at a minimum questionable. It can shatter whatever mutual trust exists between supervisory staff and workers and provides too much of a temptation to the chronically disaffected, to the malcontents with their obsessions. As one editorial observed: ". . .for every reliable government gadfly willing to spill the beans on serious scandal, there exists a small legion of restless souls within the bureaucracy waiting for an opportunity to make public mischief. Who is to judge the difference?"<sup>6</sup>

Even more damaging is this: while encouraging and protecting complainants, the policy puts executives on the defensive--and no thought appears to have been given to protection of wrongfully accused executives. Finally, a system of 'informing' challenges the very precepts of a free society, which should be rid of practices that were typical of history's bloody and infamous tyrannies from the Inquisition and the French terror down to Mao's 'cultural



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revolution'. There has to be a balance between public workers' responsibility to political heads and their obligation as citizens to expose wrongdoing, without relying on invitations to insubordination.

### EMPLOYEE LIABILITY

One more facet of dealing with accountability deserves attention as a concluding item--the question whether employees should be financially liable in court suits for mistakes in judgement in carrying out their duties.

For two centuries the US administrative machine has operated with a higher degree of effectiveness and freedom from corruption than almost any other in the world. If any citizen or group felt aggrieved by any government action, there have been countless avenues for redress - including, in the last analysis, amendment of the offending law. Suits filed through the courts could result in the award of damages, where justified, but these financial obligations were always assumed by the government itself--on the theory that any actions taken by its employees on its behalf and in pursuance of its powers were the responsibility of government as a whole.

Then, along came the cumbersome 1974 amendments to the Freedom of Information Act making federal officials 'personally' accountable for the improper withholding of information from anyone seeking data under their custody. Similar amendments in the same year to the Tort Claims Act made investigative and law enforcement officers liable for any misstep that a court found unlawful. This meant that if these officials guessed wrong about what the courts would uphold, they might have to pay astronomical amounts of money in damages from their own personal resources. Just one wrong guess could ruin any government employee and his family for life. At the same time, through a series of decisions from 1971 through 1978, the supreme court began making employees liable for a whole series of actions that were interpreted to violate any of the personal rights amendments to the US constitution.

The absurdity of such approaches to controlling the bureaucracy was illustrated by the frivolous character of most of the suits filed in pursuance of these reckless prostitutions of civil liberties. For example, the attorney general was sued by a private school teacher dismissed from a school that had received funds indirectly from one of his subordinate agencies, the law enforcement assistance administration. The president and certain members of the Senate were sued for 20 million dollars in damages for the alleged

wrongful disposal of the Panama Canal. Federal air traffic controllers have been sued for damages arising from flight disasters. Although thousands of such suits of this sort were filed in federal courts since 1971, fortunately none have so far been fully successful. Even the courts, apparently, could not tolerate the absurdity of the procedure that they helped create. Indeed, one might as well suggest that congress could be sued by anyone who objects to a law it passes--if this judicial intervention into the business of political policy making is carried any further.

The personal liability route is no way to ensure accountability of government workers, from top officials on down, nor to develop a proud, competent, and responsive bureaucracy. In spite of the lack of success of personal-liability suits from the standpoint of the plaintiffs, the damage to morale in government departments has been incalculable. The normal controls on employee performance and conduct (outlined earlier) are the only reasonable means to ensure accountability, and even in application of these we must be mindful of the dangers of overextension.

The US department of justice has been seeking for some time to amend the laws on liability, and the current administration is making elimination of personal liability of federal officials a major personnel priority, noting that political and career officials should be protected from paying personal damages resulting from actions taken within the regular performance and legal scope of their duties.

#### CONCLUSION

Constructive ways to develop a sense of responsibility and build assurance of accountability on the part of public servants are founded most pointedly on a calibre of management and supervision that recruits and motivates a high quality, highly respected staff. That high standards are necessary and that some negative restraints and even punishment may be unavoidable are undeniable. However, as in the case of so many other aspects of this subject, a fundamental concept bears repeating: "We are far more likely to build a durably competent, ethical, and accountable public service by full attention to the best precepts of personnel management than we are through disparagement of public employment and absurd, unworkable prohibitions or punitive measures".<sup>7</sup>

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## FINANCIAL MANAGEMENT AND ACCOUNTABILITY

[In March 1979, Royal Commission on Financial Management and Accountability (also known as Lambert Commission) submitted its final report to Government of Canada. This important report, published by Ministry of Supply and Services, Government of Canada, Ottawa, made several important recommendations, and observations on the subject. However, keeping in view the interest our readers may have in these recommendations, we are publishing here the summary of recommendations along with the introduction part of the report -- Ed.]

### PART I: TOWARDS A FRAMEWORK FOR ACCOUNTABILITY

#### Introduction

Since the Commission issued its progress report in November 1977, several developments have had a bearing on our work and on this Report. The government has announced new initiatives related to the management of resources and has taken some potentially significant steps designed to reduce expenditures. There have also been the widely publicised reports from the auditor general, the public accounts committee of the House of Commons, and the standing senate committee on national finance.

From these initiatives and reports, it has become apparent that the management of government requires greater attention from parliament, ministers, and public servants than it has been given in the recent past. Programmes and activities must not be approved without more carefully defined goals and objectives, and a realistic forecast of costs. Parliament should pursue more vigorously its role of holding the government to account. The cabinet and individual ministers should provide more leadership and direction to officials to ensure that they administer their operations with economy, efficiency, and effectiveness, and should be more directly involved in holding them to account for carrying out their assigned tasks.

In addition, the unsustainable rate of growth of government and its complexity and size make it increasingly obvious that there needs to be greater care in the use of the resources that have been entrusted to government. Not only is waste to be avoided, but in the context of today's fiscal situation and the pervasiveness of government activity, managers in the public service are being challenged to rediscover a sense of frugality and a commitment to the careful husbanding of resources.

In framing out recommendations, we have been mindful of how governments and bureaucracies react to proposals for change. New requirements must not be so massive as to overwhelm or immobilise

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the public service; nor must they deter the public service from its fundamental role of serving people. We recognise that the circumstances in which we are working are not unlike those that led Dean Acheson, the former U.S. secretary of state, to write that "carrying out administrative reform in the state department is like operating for an appendectomy on a man carrying a piano upstairs". What we recommend, therefore, must not add new complications. We have been conscious throughout our work of the danger that processes and structures at the levels of parliament, the government, and the departments and agencies can become overloaded and thereby frustrate the best intentions for improvement. Similarly proposals to strengthen management should not foster a new growth industry in the bureaucracy.

As we stated in our progress report, the patient cannot be returned to good health by poultices alone. Any cure that will work must look to a fundamental diagnosis of the ailment, and take into account the economic cost of the cure and any adverse side effects of the treatment. There is a price for any reform which must be judged, like any other cost, in terms of foreseeable benefits. But it is surely not beyond our will and wit to prescribe for the disease without crippling the patient.

We have been struck by the great pressures facing those who now exercise leadership in the public service, and by the need to reinforce the self-image and the public image of those doing a good job. Great dedication and competence are often frustrated by the force of public demands and by weaknesses in the system of government itself. There is, in many public servants, a high degree of commitment to sound management. This commitment must be nurtured if we are to halt the decline in the image, morale, and effectiveness of the Canadian public service. Without a reinforcement of the values of integrity, competence, and dedication, it is not likely that esteem and confidence will be restored. Indeed, this is critical, because the regard in which the public servant is held by those he serves--both the government and the people--is, in the final analysis, the standard by which he measures the value of his contribution to society. That the challenge is a great and continuing one was stated with force and eloquence almost a decade ago in the memoirs of the late Arnold Heeney, one of the great architects of the Canadian public service:

In a complex society which makes ever-increasing demands on government, a large and complicated public service is inevitable. Great size and complexity carry with them terrible dangers, chiefly, of course, the dangers commonly associated with the word 'bureaucracy'. Individual civil servants may lose--or may never acquire--the sense of vocation which is so important to the quality of human achievement. They may well feel themselves to be without purpose in a massive government machine. Should this happen, able men and women will not be persuaded to enter the public service. To prevent this happening should be the continual care, not only of government, but of all Canadians.\*

[\* Arnold Heeney, THE THINGS THAT ARE CAESAR'S, Toronto, 1972, p. 203.]

Public confidence will return with the assurance that public servants are managing soundly and being held accountable for performance and results.

Accountability, like electricity, is difficult to define, but possesses qualities that make its presence in a system immediately detectable. To touch a live wire in a circuit is enough to establish the presence of electricity without further need of definition. The shock of recognition that attends the presence of accountability in a system of government may not be quite as direct, but it is nonetheless detectable. We see accountability as the activating, but fragile, element permeating a complex network connecting the government upward to parliament and downward and outward to a geographically dispersed bureaucracy grouped in a bewildering array of departments, corporations, boards, and commissions. Accountability moves through this network like the current in a circuit but always in some sort of relation to the control centre, the cabinet. The dispersal and structural complexity of the bureaucracy make the control centre vulnerable to stoppages and short-circuits or overloading. The control centre, the government, although ultimately responsible for answering to the legislature, may find itself out of touch with what is happening, or failing to happen, at the other end of the network. Similarly, a signal from the centre may never reach the departmental unit or agency concerned or may reach it in so confused a state that judgements as to performance become impossible to make.

In short, accountability relies on a system of connecting links--a two-way circuit involving a flow of information that is relevant and timely, not only for managers but for those who must scrutinise the decisions and deeds of managers. We gauge its presence when we observe that a certain 'discipline' has been imposed upon those who are assigned roles and duties in the system. In simple terms, accountability is that quality of a system that obliges the participants 'to pay attention' to their respective assigned and accepted responsibilities, to understand that it does matter. Thus, the likelihood that agreed goals and objectives will be attained is enhanced.

In our progress report we defined the functional criteria of such a system as follows:

It should be capable of planning and defining the government's priorities; converting priorities into programs with clearly defined and agreed objectives, allocating the requisite resources and setting centrally imposed standards and procedures; delegating to managers the authority to implement programs by developing the assigned human, physical and financial resources; and, providing monitoring and appraising procedures to ensure that all the actors are held fully and clearly accountable in a progressive and unbroken chain of linkages carrying through to the sovereign Parliament.

After two years of work, we are even more persuaded than we were at the beginning of the seriousness and importance of our mandate. The quality and effectiveness of government programmes and services can only be maintained if greater economy and efficiency in their administration can be attained. The large and continuing increase

in the public debt required to fund government programmes and services and to stabilise the currency in international markets, the escalation of interest rates to record heights, and unacceptably high levels of unemployment and inflation have placed unprecedented pressures on the economy and also on the resources available to government. In Canada, as in almost every other democratic country, these problems, coupled with changes in public expectations, mores, and attitudes, threaten the confidence that the public needs to have in the processes of government and create an uneasiness about the seriousness with which its affairs are being conducted.

Our report is written in the context of the problems and difficulties facing Canada today. We expect that our recommendations will be received and assessed in terms of their contribution to giving government a greater capacity to devise constructive solutions to these issues. While we have directed our attention to accountability and particular management problems such as efficiency and effectiveness and performance evaluation, as we were surely required to do, this does not mean that there was not an awareness on the part of those who set our terms of reference, or on our part, that there are considerations of social justice that may need to override all others. We are not unmindful of this, but believe that careful, responsible management will contribute to making it possible that the broader obligations of government to the people can be fulfilled.

It is for this reason that we begin our report with a description of the fiscal dilemma facing government today, and the difficulties created by the growth of government expenditures and the deficit required to finance them. This is the environment within which managers in the public service will have to operate in the foreseeable future. Although, it is not within our mandate to make recommendations in this area, we are convinced that without sound management and a greater measure of accountability for results, the government will fail in its efforts to restore stability and order in the management of government and to renew public confidence that the public purse is under control.

We have been encouraged by the determination we have sensed in all of those with whom we have met--parliamentarians, and members of the government, the public service and the private sector--to bring about change and improvement. We hope that our recommendations will be a worthwhile contribution to the restoration of health and vigour in the economy and to the rekindling of confidence and determination in the spirit of the nation. We wish to bolster the efforts of the many Canadians, both inside and outside government, who are working to achieve effective and responsible government.

### SUMMARY OF RECOMMENDATIONS

#### PART II: CENTRAL ROLES AND RESPONSIBILITIES

##### Chapter 5: Setting Limits: The Fiscal Plan

Each year the Minister of Finance present to Parliament, on behalf of the Government, a five year 'Fiscal Plan' which provides estimates of revenues, sets expenditure ceilings, and reflects the

expected surplus or deficit. The Plan would be based on the existing tax structure and clearly stated economic assumptions.

The Fiscal Plan contain ceilings on expenditures for specified functions of government within the ceiling set on expenditures for each of the five years covered by the Plan.

For the first three years covered by it, the Fiscal Plan contain departmental and agency expenditure ceilings, within the total expenditure limit for each of those years.

An annual update of the Fiscal Plan be developed jointly by the Department of Finance, the Privy Council Office, and the Financial Management Secretariat of the Board of Management, and that the Minister of Finance, supported by the President of the Board of Management, submit it to the Cabinet Committee on Priorities and Planning.

The Government set out clearly the effects on the Fiscal Plan of the Estimates, Supplementary Estimates, and the Budget when it tables these documents.

Legislative proposals be accompanied by five-year projections of their financial implications and a statement of any consequent adjustments necessary in the Fiscal Plan.

#### Chapter 6: Planning Expenditures and Accounting for Results

Each programme, activity, and sub-activity displaying resource requirements in the Estimates have a specific stated purpose and, insofar as possible, a measurable result.

Consolidated Estimates presenting government-wide information and the important features of departmental and agency Estimates be submitted annually to Parliament.

The Consolidated Estimates contain a comprehensive comparison of the total expenditures proposed in them with expenditure limits set out for the Estimates year in the most recent Fiscal Plan.

Separate Estimates of expenditure for each department and agency be tabled at the same time as the Consolidated Estimates, and that such separate submissions be drawn up in accordance with centrally-determined standards of disclosure and accounting practices, with decisions pertaining to detail left to each department and agency.

Legislation be amended or enacted to require that details of expenditures to be incurred under statutory programmes be fully identified and quantified in the Consolidated Estimates and updated in the Supplementary Estimates; and, that the same level of detail as is provided for non-statutory expenditures be provided for statutory expenditures.

Legislation for all new statutory programmes, except those relative to interest on the public debt, require that funding lapse automatically at the end of the fifth year following introduction, and that renewal of such funding be authorised only after parliamentary review of the current and projected costs and benefits of such programmes.

With respect of existing statutory programmes, legislation be enacted to require the responsible minister to evaluate once in the next ten years and thereafter every five years the current and projected costs and benefits of all these programmes, except those relative to interest on the public debt, and that a report thereon be tabled in Parliament and be automatically and permanently referred to the appropriate standing committee for its consideration



and recommendations.

The practice of vote-netting be discontinued.

All departments and agencies be required to prepare complete annual reports by September 30 following the end of the fiscal year to which they relate, that these reports be immediately tabled in the House of Commons or, if the House is not sitting on that date, within 10 days of the time the House next meets, and, that they be automatically and permanently referred to the standing committee that reviews to Estimates of the department or agency concerned.

Volume II of the Public Accounts contain departmental financial statements and other financial data required by the Financial Administration Act, signed by the deputy minister as chief administrative officer and by the senior financial officer, and that it continue to be referred to the Public Accounts Committee.

#### Chapter 7: Consolidating the Management Function of Government

The Financial Administration Act be amended to rename the Treasury Board the 'Board of Management', that the new Board be chaired by a senior minister with the title 'President of the Board of Management', and that one of the other five ministers be appointed 'Vice-President of the Board of Management'.

The Board of Management have the responsibilities set out in Sections 5 and 7 of the Financial Administration Act for general administrative policy, organisation of the public service, financial management, and personnel management.

With regard to financial management, the Board of Management have responsibility to review annual and longer term expenditure plans and programmes of departments and Crown agencies requiring appropriations from the Consolidated Revenue Fund, and that these plans and programmes be reviewed to ensure that they are in accordance with the priorities and expenditure ceilings approved by the Cabinet in the Fiscal Plan, and that they have been prepared with due regard to the economical and efficient use of personnel and money.

The Public Service Employment Act be amended so as to transfer the authority of the Public Service Commission for staffing the public service to the Board of Management, while leaving with the Public Service Commission continuing responsibility for the preservation and monitoring of the merit principle.

The Board of Management have responsibility for reviewing the effectiveness with which departments and agencies administer the programmes and activities set out in their annual expenditure plans.

The Board of Management be supported by two secretaries of the Board, one, the 'Secretary for Personnel Management', and the other, the 'Comptroller General'.

Under the direction of the President of the Board of Management, the Secretary for Personnel Management have the central management responsibilities for government-wide policies on manpower planning; appraisal of personnel at the senior management level, and career development of the senior management cadre; collective bargaining; administrative policies relating the personnel, official languages, and training; and, that the Secretary for Personnel Management ensure that positions are correctly classified, departments are staffed in accordance with the Public Service Employment Act, and that departmental organisation is monitored and reviewed.

Under the direction of the President of the Board of Management,

the Comptroller General have the central management responsibilities for the screening of departmental plans and Estimates; advice on departmental expenditure ceilings and man-year ceilings in the Fiscal Plan; programme evaluation policies and procedures, including performance measurement standards; the preparation of the Consolidated Estimates and the Public Accounts; accounting principles and practices, including standards of disclosure required in annual reports and financial statement; the organisation of financial services and internal audit in departments; the training and development of financial officers; and, administrative policies concerning contracts and the procurement of material and services.

The Secretary for Personnel Management and the Comptroller General together be responsible, on behalf of the Board of Management, for reviewing the economy, efficiency, and effectiveness with which departments and agencies administer the financial and human resources authorised by parliament.

Two secretariats for the Board of Management be established, the 'Personnel Management Secretariat' to be headed by the Secretary for Personnel Management and the 'Financial Management Secretariat' to be headed by the Comptroller General.

The Secretary for Personnel Management and the Comptroller General draw from their respective secretariats a common staff support group for co-ordinating the preparation of agendas, the recording of minutes and decisions of the Board of Management, and for communicating to departments and agencies the action required of them.

The Public Service Employment Act be amended to give the Board of Management the authority to make appointments to and within the public service, and to specify that the Board of Management delegate this authority only to the Secretary for Personnel Management or to deputy ministers and their counterparts in Crown agencies.

The Secretary for Personnel Management be responsible for appointing assistant deputy ministers and their equivalents, including senior personnel officers and senior financial officers, on the recommendation of the deputy head concerned.

The Board of Management reassume the Treasury Board's full responsibility for training, and delegate the authority for carrying it out to the Secretary for Personnel Management.

Training services be provided through a separate, revenue dependent organisation reporting to the Secretary for Personnel Management and subject to the accountability regime set out for common service organisations.

The Public Service Commission be reconstituted as a 'Parliamentary Department' with the duty of ensuring that selection and appointment to the public service are made on the basis of merit, and that the Public Service Commission report annually to Parliament those instances where personnel policies, procedures, and actions fail to support the merit principle.

The autonomy of the Public Service Commission be assured by providing that the appointment of Commissioners by the Governor in Council be for ten years during good behaviour and be subject to ratification by the Senate and the House of Commons, and that removal be upon address of both Houses of Parliament.

The Public Service Commission have the power to direct the Secretary for Personnel Management to cause appointments to be

revoked and to institute new competitions or other selection procedures.

The Programme Branch of the Treasury Board Secretariat be transferred to the Financial Management Secretariat.

The Comptroller General be responsible for screening and recommending the approval of departmental Estimates to the Board of Management.

The Comptroller General be empowered by the Board of Management to require that departments conduct specific programme evaluations in problem areas identified by the Board, that the Comptroller General set standards for these evaluations, and that the Comptroller General recommend to the President of the Board of Management that action be taken where programme evaluation is hindered by jurisdictional disputes.

The Board of Management direct the Comptroller General, as required, to conduct an evaluation of the effectiveness of any programme or programme component, or of the economy and efficiency with which a programme or component is managed.

Authority and responsibility for the format and content of the Consolidated Estimates and the Public Accounts be assigned to the President of the Board of Management, and that he be supported in these responsibilities by the Comptroller General.

The Comptroller General recommend standards of disclosure and accounting to the Board of Management for use in all Estimates, the Public Accounts, and annual reports submitted to Parliament, and that he ensure that the standards approved by the Board are adhered to.

A 'Chief Accountant of the Government of Canada' be appointed to assist the Comptroller General in determining the format and content of the Consolidated Estimates and the Public Accounts, in setting standards of disclosure and accounting to be used in Estimates, Public Accounts, and annual reports, and in ensuring that approved standards are maintained.

The accounting branch of the Financial Management Secretariat include an accounting systems division charged with planning, controlling, and monitoring the development, introduction, and maintenance of cost-based accounting systems in departments.

The Comptroller General determine the requirements of government for financial and accounting skills, and be responsible for the identification and development of the necessary people to meet these requirements.

The minimum scope and standards of internal auditing, including auditing for compliance with central agency directives and guidelines, be determined by the Comptroller General.

Departmental internal audit programmes and reports be submitted to the Comptroller General for his review, and that the Comptroller General also have the authority to evaluate the effectiveness of the internal audit work performed by departmental and agency audit staff.

The Audit Services Bureau in the Department of Supply and Services be disbanded and its staff transferred to individual departments and to the Financial Management Secretariat.

The Financial Administration Branch in the Financial Management Secretariat be staffed to conduct internal audits of departments without an internal audit capability.

The Comptroller General and his staff work with departments to assist them in the preparation of annual work plans for improving financial management and control, and that they monitor and assist in the satisfactory implementation of these plans.

The Comptroller General and the Secretary for Personnel Management conduct an annual in-depth review of each department's management performance.

The assessment of departmental performance, prepared jointly by the Comptroller General and the Secretary for Personnel Management, be submitted to the responsible minister, the President of the Board of Management, the Privy Council Office, and the Committee of Senior Officials on Executive Personnel.

The authority and responsibility for the operations of the Consolidated Revenue Fund and all other aspects of day-to-day cash management be clearly vested in and fulfilled by the Department of Finance.

All funds deposited in authorised depositories in the name of the Receiver General be credited immediately to the account of the Government of Canada, and that amounts in excess of minimum balances established by contract earn interest as from the following business day.

Charges for all banking services rendered in connection with transactions relating to the government be made on a fully competitive basis.

Plans for daily minimum cash balances, receipts, and disbursements be made by the Bank of Canada in the light of information provided by the Department of Finance.

Subject to election by recipients, repetitive payments to individuals, such as those for salaries, pensions, and family allowances, be made by automatic transfer through the central clearing system to designated depositories, thus obviating the costs of cheque issue and distribution.

#### Chapter 8: Common Services

Common service organisations be funded through a system of revenue dependency on a full-cost basis.

All common service organisations offer their goods and services at rates based on a full-cost approach, and that all goods and services provided by common service organisations be unit-priced.

Funds for common services, including, annual rental costs for accommodation, be provided in the Estimates of the user departments, and that all transactions between common service organisations and client departments be actual transactions.

The Comptroller General annually conduct public hearings with respect to the fees charged by common service organisations with the full participation of common service organisations, programme departments and agencies, and interested private sector groups, and that, on the basis of these hearings, the common service fee structures be recommended to the Board of Management for approval and communication to all departments and agencies.

The Bureau for Translations and the Government Telecommunications Agency be transferred to the Department of Supply and Services under the direction and control of the Minister of Supply and Services.

All the functions of the Department of Supply and Services be brought together under one deputy minister.

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The Crown Assets Disposal Corporation continue to be responsible to the Minister of Supply and Services, be governed by the common service policies of the Board of Management, and be subject to the proposed management and accountability regime recommended for all departments.

The branches within the Departments of National Defence, Transport, and Indian Affairs and Northern Development which provide design and construction capabilities be specifically and separately identified and organised as 'Other Designated Departments', and made revenue dependent on a full-cost basis.

### PART III: DEPARTMENTS

#### Chapter 9: Responsibility and Accountability for Departmental Management

Departmental plans and performance goals be developed for the minister's approval by the deputy minister in his capacity as 'Chief Administrative Officer', and that the achievement of these programme and performance objectives be monitored and later reviewed by the Board of Management in a manner that would permit the deputy to defend departmental performance.

Deputy ministers be liable to be called to account directly for their assigned and delegated responsibilities before the parliamentary committee most directly concerned with administrative performance, the Public Accounts Committee.

#### Chapter 10: The Appointment and Appraisal of Deputy Heads

On appointment, a deputy head be expected to serve in his department for a period of three to five years.

The views of the Secretary for Personnel Management and the Comptroller General be sought with respect to all deputy head appointments.

On appointment of the deputy, the Secretary to the Cabinet, the official serving as adviser on senior appointments, and the two secretaries of the Board of Management meet with him to discuss departmental problems, issues, and performance expectations, and that individual objectives be agreed between the minister and the deputy, submitted to the Prime Minister, and serve as the continuing basis for performance evaluations.

These statements of objectives be reviewed annually by the deputy head and the minister, and any changes deemed necessary be communicated to the Prime Minister, the Secretary to the Cabinet, the adviser on senior appointments, and the two secretaries of the Board of Management.

The Committee of Senior Officials on Executive Personnel, comprising the Secretary to the Cabinet, the adviser on senior appointments, the Comptroller General, and the Secretary for Personnel Management as permanent members, and four other deputy ministers appointed on a rotational basis, be responsible for preparing for the Cabinet appraisals of the performance of all Governor in Council appointees who are involved in the management of departments.

The deputy head have the opportunity to comment on the evaluation before it is forwarded to the Cabinet Committee on the Public Service and the full Cabinet.

Following the final decision by the Cabinet, the annual evaluation of a deputy's performance be discussed personally with him by the adviser on senior appointments.

The COSO evaluation of the deputy be reviewed and, if necessary, commented upon by the minister before its submission to the Cabinet.

A deputy secretary to the Cabinet be assigned full-time responsibility for supporting the adviser on senior appointments.

#### Chapter 11: The Preparation and Review of Departmental Plan

Deputy heads of all departments ensure that their organisational structures clearly reflect that responsibility centres are directly related to programmes, activities, or sub-activities that can be identified with particular resources and, where possible, with specific measurable outputs.

Such responsibility centres be under the control of managers who can be accountable for establishing plans and achieving results.

Each departmental management committee place priority on developing strategy and plans by setting medium-term departmental objectives, by approving challenging goals for managers, and by communicating these objectives and goals clearly to managers of responsibility centres.

The preparation and submission of Programme Forecasts be discontinued.

Departments be required to prepare 'Departmental Strategic Plans' each year for submission to the Board of Management in support of the Estimates, and to the Department of Finance and the Privy Council Office for their information and consideration.

The departmental Estimates submission to the Board of Management be accompanied by a memorandum outlining the key operational goals to be achieved by the end of the Estimates year.

The screening of departmental plans be concluded by the transmission of a letter of each minister from the President of the Board of Management, and that this letter comment on the results of the screening and report any unresolved or other important issues.

The minister responsible for the Departmental Strategic Plan and Estimates, accompanied by the deputy head, appear before the Board of Management to explain and justify his Estimates submission, and that the Comptroller General and the Secretary for Personnel Management attend these meetings to respond to any questions from the Board about their interpretation of, or recommendations on, the plans and the Estimates.

The Financial Management Secretariat monitor the implementation of recommendations made by the Board of Management for any changes in departmental plans or Estimates.

#### Chapter 12: The Deputy and the Departmental Management Team

The Board of Management require the deputy to ensure that goals are set for each manager reporting directly to him, that goals focus attention on the most important problems and priorities in the manager's area of responsibility, and that they provide an objective basis for measuring the manager's performance.

Deputy heads be delegated the authority for approving organisation, classification, and staffing decisions affecting all positions below the level of assistant deputy minister or equivalent within existing complements.

The deputy's recommendations for the classification of positions at the level of assistant deputy minister and equivalent, and changes in organisation involving positions at this level, be subject to approval by the Board of Management.

For assistant deputy minister and equivalent positions, the deputy head select a candidate from a list drawn up by the Secretary for Personnel Management and recommend that candidate for appointment by the Secretary for Personnel Management.

Deputy heads establish similar procedures for delegating authority for and approving classification, organisation, and staffing decisions within departments.

The Board of Management ensure the effective discharge of these fundamental personnel management responsibilities by deputy heads through audit procedures and annual departmental performance reviews.

Parliament enact legislation to introduce unsatisfactory performance as grounds for discipline or release, subject to the present appeals process and review by the Public service Commission, and to simplify the process for disciplining or releasing consistently below-par performers at all levels.

The Secretary for Personnel Management of the Board of Management delegate to deputy heads who have established acceptable performance appraisal procedures the authority to dismiss, demote, or transfer employees below the level of assistant deputy minister.

The Secretary for Personnel Management operate a placement and counselling service to assist employees who have been dismissed.

Deputy heads establish and follow a management succession and career development plan that systematically identifies candidates for senior positions in the department and for promotion to other positions within the public service.

The Secretary for Personnel Management review the departmental plans with the deputy heads and consolidate them to establish a managerial career development plan for the government as a whole.

The performance of deputy heads in developing managers be made an important part of the deputies' on performance evaluations.

The senior personnel officer in the department report directly to the deputy head and be a full and active member of the management committee.

### Chapter 13: Departmental Financial Organisation and Person

Staff courses, temporary secondment to the private sector, temporary assignment programmes, and other career development arrangements for senior managers be developed in such a way that they lay strong emphasis on practical explanations and demonstrations so that participants develop a better understanding of the nature and purposes of financial management in government.

Deputies be required to manage and organise their departments so as to permit senior financial officers to make a significant contribution to their planning, budgeting, controlling, and evaluation activities.

Each senior financial officer be required annually to establish measurable goals for his personal performance, that such goals be agreed to by the deputy minister and the Comptroller General, and that his subsequent performance evaluation by the deputy be based on a measurement of achievement against these goals.



For senior financial officer positions, the deputy head select a candidate from a list drawn up by the Comptroller General and recommend that candidate for appointment by the Secretary for Personnel Management.

The senior financial officer in the department report directly to the deputy head and be a full and active member of the management committee.

The Comptroller General, if his discussions with the deputy head concerned produce no satisfactory result, be required to report to the Board of Management those instances where financial management in a department is unsatisfactory because of badly defined and/or ineffective functional authority of senior financial officers over financial staffs reporting to programme or regional managers.

On receipt of a report of unsatisfactory financial management, the Board of Management be empowered to direct that all financial staff of the department concerned report directly to the senior financial officer for a period to be specified by the Board.

The Secretary for Personnel Management of the Board of Management revise the classification benchmarks for financial and clerical positions to ensure that only those positions requiring formal accounting training are placed in the FI group; and that he ensure that FI position descriptions accurately reflect the skills and duties required of the incumbent.

The Secretary for Personnel Management of the Board of Management work closely with the Comptroller General to develop courses that meet both modern standards and financial management requirements in the federal government, and that satisfactory completion of such courses be appropriately tested and recognised.

#### Chapter 14: Accounting and Auditing

Comprehensive cost-based accounting systems be developed and used in all federal departments and agencies, and that these systems meet the criteria of capturing all costs on a timely and accurate basis and be integrated with costing systems capable of analysing the data thus obtained.

Accounting systems in departments and agencies incorporate independent financial control over all non-cash assets, and particularly over fixed assets and inventories.

The federal government take the lead in setting up a joint task force with the provincial governments to determine the accounting standards that should be recognised, accepted, and used in the presentation of government financial information.

Departments be fully responsible for the design and upkeep of their own accounting systems.

Departmental accounting systems be designed to provide the information required by central agencies accurately and promptly.

Departmental accounting systems, and any subsequent changes therein, be formally approved by the Comptroller General before being brought into use.

The internal audit responsibility of departments and agencies be based on a comprehensive approach to all financial, operational, and management auditing, and that it therefore cover adherence to all centrally-prescribed financial, personnel, official languages, data processing, and other administrative policies and procedures, as well as at the economy, efficiency, and effectiveness with which



resources are used.

'Audit Committees' be formally created in all departments and that they comprise at least the deputy head and two members from the ranks of senior executives of major corporations and organisations in the private sector.

#### PART IV: CROWN AGENCIES

##### Chapter 16: A Proposed Re-ordering of Crown Agencies

The Schedules to the Financial Administration Act be replaced by a more comprehensive set of schedules in accordance with four categories:

1. Ministerial and Other Designated Departments
2. Independent Deciding and Advisory Bodies
3. Crown Corporations
4. Shared Enterprises

and that when any re-scheduling occurs such decisions be tabled for the information of Parliament.

##### Chapter 18: Independent deciding and Advisory Bodies

Every constituent act of an 'Independent Deciding and Advisory Body' designate one official as chief executive officer who will be responsible for the supervision and direction of the work and staff of the agency and be held accountable for the administration of the agency.

Unless specifically exempted in the constituent act, the authority of the Board of Management with respect to financial and personnel management in departments apply to Crown agencies in Category II, 'Independent Deciding and Advisory Bodies'.

When 'Independent Deciding and Advisory Bodies' are established, the goals and public policies they are to implement, or be guided by, be clearly set out in their constituent acts.

In cases where 'Independent Deciding and Advisory Bodies' are authorised to make regulations, these be subject to Governor in Council approval before being promulgated.

The constituents acts of 'Independent Deciding and Advisory Bodies' contain provisions allowing for policy directives from the Governor in Council.

Prior to the issuance of a policy directive to an 'Independent Deciding and Advisory Body', the Government refer the matter to the agency, which may request public submissions thereon and shall make a public report within ninety days or such longer period as the Government may specify, and further, that such directives be published in the 'Canada Gazette' and tabled in the 'House of Commons'.

The right to appeal individual decisions of 'regulatory' agencies to designated ministers or the Governor in Council be abolished.

Without abrogating the powers granted to the Governor in Council in the Public Service Rearrangement and Transfer of Duties Act, the transfer to a department or agency of government of any function assigned by statute to an 'Independent Deciding and Advisory Body' require parliamentary approval.

All constituent acts of 'Independent Deciding and Advisory Bodies' clearly stipulate that members shall be subject to removal

only for cause and that in addition, for 'regulatory' agencies, such action be subject to a joint resolution of both Houses of Parliament.

The members of 'Independent Deciding and Advisory Bodies' designated as chief executive officers be appointed to such positions for three-year terms, subject to renewal, and that their administrative performance be evaluated by the Committee of Senior officials on Executive Personnel, and its reports be submitted to the Cabinet when it is considering re-appointment.

Chief executive officers of 'Independent Deciding and Advisory Bodies' undertake annual performance evaluations of the members of their agencies and that such evaluations be forwarded to COSO and the Cabinet.

The annual reports of 'Independent Deciding and Advisory Bodies' be automatically and permanently referred to the appropriate standing committees of the House of Commons, and that they provide a thorough description of the activities of the preceding year including both achievements and problems, a record of reports issued and directives received, and plans for the coming year.

The designated minister be required to undertake a review of the functions and operations of 'Independent Deciding and Advisory Bodies' not less than once every ten years, and further, that the results of such reviews be tabled in the House of Commons and be automatically and permanently referred to the appropriate standing committee.

#### Chapter 19: Crown Corporations

In the constituent act, or letters patent issued under the Canada Business Corporations Act, for each 'Crown Corporation', the mandate provide a clear definition of the task, purposes, objectives, and powers devolved upon the corporation, and, where letters patent are used to constitute the corporation, that these automatically be tabled in Parliament.

The creation of a 'Crown Corporation' or subsidiary or the acquisition of a company by a 'Crown Corporation' or subsidiary require express parliamentary sanction in the relevant departmental or 'Crown Corporation' constituent act and prior Governor in Council approval.

The chief executive officer be responsible for preparing a 'Corporate Strategic Plan' for the approval of the board and for the information of the designated minister.

Directives issued to a 'Crown Corporation' by the designated minister be subject to Governor in Council approval, be tabled forthwith in Parliament, and be duly recorded in the annual report of the corporation.

Directives issued to a 'Crown Corporation' be binding on the corporation but that they relieve the directors of their responsibility in the matter, and that, where directives result in additional costs to the corporation, compensation on an agreed or independently arbitrated basis be awarded.

Directors of 'Crown Corporations' be appointed for three-year staggered terms by the Governor in Council on the recommendation of the designated minister, after consultation with the chairman of the board of directors.

The chairman of the board of a 'Crown Corporation' be appointed

by the Governor in Council after consultation with the board.

Subject to confirmation by the Governor in Council on the recommendation of the designated minister, the chief executive officer of a 'Crown Corporation' be appointed and removed by the board of directors of the corporation.

The president of a 'Crown Corporation' be chief executive officer, and that his remuneration, together with that of the chairman of the board, be fixed by the board of directors within ranges approved by the Governor in Council, such ranges to be determined on the recommendation of independent advisers.

The board of directors of a 'Crown Corporation' be responsible for establishing the form and contents of the capital and operating budgets based on the highest accepted standards.

The capital budget, when appropriations are not required, be approved by the board of directors, submitted to the designated minister and the minister of Finance for review and approval, and thereafter be submitted to the Governor in Council for approval and subsequent tabling in Parliament at the same time as the Estimates.

The capital budget, when appropriations are required, be approved by the board of directors, submitted to the designated minister, the Minister of Finance, and the board of management for review and approval, and thereafter be submitted to the Governor in Council for approval and subsequent tabling in parliament with the Estimates.

The operating budget, when appropriations are not required, be approved by the board of directors, be presented to the designated minister for information, and be assigned to the chief executive officer for implementation.

The operating budget, when appropriations are required, be approved by the board of directors, and forwarded to the designated minister for his approval and subsequent transmission to the board of management and the Governor in Council for their approval prior to tabling in parliament, and that all approval procedures be completed before the budget is assigned to the chief executive officer for implementation.

'Crown Corporation' bylaws take effect on approval by the board of directors, but that they require subsequent ratification by the Governor in Council and tabling in Parliament.

Codes of conduct and a system of compliance be prepared by 'Crown Corporations', approved by the board of directors, and agreed with the minister, and that monitoring of compliance be the responsibility of the board.

All 'Crown Corporations' appoint audit committees made up of outside directors.

The Governor in Council appoint the external auditor on the recommendation of the board of directors, except where the auditor is already named in constituent legislation.

The Auditor General, where he is not named as the external auditor, have access to the audit reports of outside auditors of 'Crown Corporations'.

Every subsidiary be listed with its parent in the 'Crown Corporations' category, and that the financial statements of all subsidiaries on both a consolidated and unconsolidated basis be included in the parent corporation's annual report.

The designated minister be required to undertake a review of the mandate and operations of 'Crown Corporations' not less than once

every ten years and further that the results of such reviews be tabled in parliament and referred automatically for study and appropriate action to the relevant standing committee.

#### Chapter 20: Shared Enterprises and Quasi-public Corporation

'Shared Enterprises' be listed as such for purposes of identification in the revised schedules to the Financial Administration Act, and that the subsidiaries of 'Shared Enterprises' be directly accountable to their parent corporations and identified by and listed with their parent corporations.

Accountability with respect to the delegated public responsibility of 'Shared Enterprises' normally be subject to appropriate federal or provincial corporate law, and, in addition, that provision be made for appropriate reporting and disclosure to Parliament.

The designated minister as trustee shareholder for the Crown accept the rights and responsibilities of any shareholder under the applicable corporate law, except where those rights and responsibilities have been clearly modified by a specific constituent act.

The designated minister be the accountability link between a 'Shared Enterprise' and parliament.

The annual reports of 'Quasi-public Corporations' that receive grants or contributions from the Government be tabled each year at the same time as the tabling of the estimates.

The Government undertake to hold the officers of 'Quasi-public Corporations' accountable in manner commensurate with the degree of governmental sponsorship or encouragement of those corporations.

### PART V: ACCOUNTABILITY TO PARLIAMENT: CLOSING THE LOOP

#### Chapter 21: Rights and Responsibilities

The deputy minister as chief administrative officer account for his performance of specific delegated or assigned duties before the parliamentary committee responsible for the scrutiny of government expenditures, the Public Accounts Committee.

There be established a committee of the House of Commons to be known as the 'Standing Committee on Government Finance and the Economy', that the annual Fiscal Plan presented to parliament be automatically and permanently referred to this committee, that the committee report to the House on its study of the Plan, and, that the Government respond formally to the committee's report during a subsequent debate.

#### Chapter 22: Instruments and Procedures

The total number of standing committees of the house of Commons be reduced and that, with the exception of the Public Accounts Committee, membership on them be limited to 15 or fewer.

Standing Order 65.(4) be amended to provide for prior notice of votes in committees and the establishment of alternates lists from which to draw substitutes for committee members.

The chairmen of standing committees be elected by each committee for the life of a parliament, and receive remuneration for performing their duties, such remuneration to relate to that received by parliamentary secretaries.

Each standing committee of the House of Commons be allotted a

## Financial Management and Accountability

budget to which all expenses associated with the operation of the committee are charged, that the budget include an allocation for hiring staff but that the selection of staff be at the discretion of the committee, and, that staff be at the service of the whole committee but under the direction of the chairman.

The annual reports of departments and agencies be automatically and permanently referred to the appropriate standing committees of the House of Commons.

Standing Order 58.(16) be re-interpreted to make clear that substantive reports from House committees are desirable whether or not they are to be debated.

Standing Order 58 be amended to permit standing committees to recommend the partial reduction of an item of expenditure in the Estimates.

All legislation relating to taxation be referred to the Standing Committee on Government Finance and the Economy. and that this committee be informed of the likely effects on the Fiscal plan of all other legislative proposals.

Standing committees undertake, as the need arises or as time permits, in-depth studies of the impact of programmes, and that these studies concentrate on reviewing the need for and the benefits conveyed by specific programmes.

## MANAGEMENT OF INDUSTRIAL CHANGE

[We are giving below extracts having a bearing on some aspects of accountability from the T.T. Krishnamachari Memorial Lecture on the subject by Dr. Manmohan Singh, Governor, Reserve Bank of India. It was delivered on March 7, 1983 at Madras - Ed.]

Development plans in India have always had to face uncertainties arising on account of fluctuations in weather conditions. In addition, given the sharp deterioration in international environment for flows of trade and aid, and increased dependence of our economy on international trade in the wake of two major hikes in oil prices, India's industrial development has now to contend with much greater uncertainty. Increased interdependence carries with it a higher risk of disruption of domestic plans due to international events beyond our control. While we cannot reduce the increased uncertainty on account of international factors, we should make every effort to minimise uncertainties rooted in government policies and procedures. In this context, important issues arise regarding a purposeful management of the public sector and for devising a sensible regulatory framework for the private sector.

While overall national priorities must continue to be determined by the Government, its relations with public sector managers and private sector entrepreneurs must be such as would sustain their confidence and interest in expansion and growth of productivity as key instruments of national development strategy. There must be an adequate recognition that enterprise is a delicate plant which needs to be carefully nursed and that there is such a thing as the climate for enterprise. The experience of both capitalist and socialist countries confirms that successful industrialisation presupposes a relation of mutual trust and confidence between government and industry. In capitalist countries, this was facilitated by the ascendancy of the new industrial class in political decision making processes in the wake of industrialisation and the decline in the power of landed aristocracy. In the socialist countries, the state itself became the entrepreneur so that there was no question of conflict between industry and government.

The establishment of a relation of mutual trust and confidence between government and private industry is not an easy task in an underdeveloped mixed economy operating in the framework of an open polity. Entrepreneurs usually belong to small minority groups and very often policies of "soaking the rich" have a strong electoral, appeal. Thus, governments often fall prey to populist pressures and devise a regulatory framework with an eye on electoral appeal, even though such a framework cannot be made effective because of adminis-

trative bottlenecks. This is precisely the type of atmosphere which compels entrepreneurs to turn into speculators, short term maximisers, making a living by manipulating political processes rather than through creative productive activity, and provides them a strong built-in incentive for evading taxes and siphoning off funds abroad for investment in Swiss banks in numbered accounts. It requires exercise of a great deal of statesmanship on the part of political leadership to devise a regulatory framework which is consistent with the national imperative to prevent scarce resources being diverted to low priority activities which is administratively viable and which also sustains the faith and morale of entrepreneurs in expansion.

It is perhaps inevitable that in a poor democratic polity, government policies will tend to have a left of centre orientation so that there will be tensions in government's relations with private enterprise from time to time. Under such conditions, private sector cannot perform efficiently the historic task of accumulation of capital. If sustained growth is to be ensured under these conditions, there is no alternative to building up of a strong public sector as the main engine of growth and modernisation. However, under the peculiar circumstances prevailing in countries like India, government's relations with public sector managers can also give rise to tensions which can have adverse effect on the spirit of initiative and enterprise. We are a country where bureaucracy is dominated by generalist administrators who, despite their high quality, devotion and integrity, often lack an expert knowledge of problems of modern industry. The inevitable march of the democratic process in a predominantly rural economy implies that political power will also pass increasingly into the hands of people who have no familiarity with the complexity of modern industrial processes. In such an environment, sources of friction and distrust between government and public sector managers are always present and these can seriously affect the ability of the public sector to perform its historic role in the process of accumulation. Clear guidelines and ground rules are needed to avoid such friction.

I shall now briefly sketch the outlines of a programme of reform which, while retaining for the government and the planning process the central role in determining national goals and priorities, can, nevertheless, unshackle the enormous creative energy and spirit of adventure and enterprise which undoubtedly exist in both the public and the private sectors in India.

#### THE MANAGEMENT OF PUBLIC ENTERPRISES

In our economy, the commanding heights are with the public sector and massive resources have been invested in this sector to ensure both faster growth and greater social justice. Although actual results have fallen short of expectations, there is unlikely to be a consensus in favour of a greater reliance on the private sector or direct foreign investment. Thus, improved performance of the public sector is of critical importance in sustaining and enhancing the tempo of industrial growth.

Any reform programme must start with the recognition that all is not well with our public sector and that sustained efforts will be needed to enable it to perform the great role assigned to it in our

strategy of development. This will require action on several fronts.

In order to ensure proper accountability, the top management of a new public enterprise should be in position before a project proposal is approved. It should be the responsibility of the management team so selected to plan, design and execute the project in all its phases. It is only then that proper accountability can be established in the public sector. While appointing the top management team both for new enterprises as well as for existing enterprises, the government should clearly specify the objectives and goals which will form the basis of assessment of performance of the top management team.

While major investment decisions should continue to be approved by the government and the Planning Commission in the light of agreed national priorities, there should be no interference in the normal day-to-day functioning of an enterprise. If government interference becomes necessary in public interest this must take the form of written directives. A convention ought to be established to place these directives before parliament.

It has also to be recognised that people appointed to top management posts in the public sector must have a long enough and secured tenure to enable them to take a long term view of their responsibilities. This will also enhance the scope for public accountability of their actions. People who are close to the retirement age should not be appointed to top posts. The right of the government to remove the top management team cannot be questioned, but this must be done only on the basis of the findings of a standing impartial independent expert panel whose members will command widespread respect and confidence.

In a number of public sector enterprises, persons appointed to the boards of directors do not possess adequate experience and expertise to exercise their functions effectively. As far as possible, members of the boards of directors should be professionally qualified persons chosen from a panel prepared by a high powered independent expert group.

Inadequate generation of internal resources is a major problem of public enterprises. In part, this is due to the fact that pricing decisions often require prior government approval, which leads to delays as well as inadequate price adjustments. There is an urgent need to depoliticise the process of price formation in the public sector and prior government approval for all price revisions should not be insisted upon. The government should, of course, issue general guidelines setting out the basis on which price revisions should be made. A situation in which public enterprises are not free to charge economic prices is not conducive to efficient operation, for under such conditions the public sector managers are provided an easy alibi to explain away even genuine management failures. Besides, enterprises which incur losses year after year are unlikely to attract dynamic managers or to inspire their workers to put in their best efforts.

In exchange for greater freedom of pricing and functional autonomy, public sector enterprises should submit themselves to a proper social audit, say, once in three years by a commission on costs, prices and tariffs. In addition, the commission should have the right to review price decisions on the complaint of any affected



group and should have the authority to roll back price increases which, after investigation, are shown to be unjustified.

The reports of the proposed commission on costs, prices and tariffs should be made available for discussion in parliament. Parliament's right to discuss the working of a public enterprise cannot be questioned. However, consideration should be given to the establishment of a convention that discussion would normally be confined to issues of broad policies and performance rather than individual cases. Where a member of parliament has evidence about the misconduct of any individual official of a public sector enterprise, it may be desirable to establish another convention that this matter would first be examined in camera by a sub-committee of the committee on public undertakings. It is only if the sub-committee is not satisfied with the explanation or action taken by the enterprise and government that individual cases ought to be raised on the floor of the house. This proposal will preserve the vital principle of public accountability of public enterprises while affording legitimate protection to honest officials against unjustified attacks in a forum in which they cannot defend themselves.

In the states, the performance of many state electricity boards, state road transport corporations and irrigation departments is deplorable. There is too much political interference and management culture is largely missing in these enterprises. Because these enterprises are dependent on budgetary resources for their expansion, they are vulnerable to political pressures. Under these conditions, there is also no built-in pressure to introduce modern management techniques. Nor is there adequate pressure to generate internal resources by means of more realistic pricing policies. For this purpose, it is desirable to set up a national development bank for power, irrigation and transport for financing further growth of these sectors. This bank will be charged with the responsibility to lend money to the state corporations only on the basis of viable project proposals and pursuit of sound management and pricing policies and practices. Reduced reliance on budgetary funds could thus help not only in reducing the scope for political interference but also give an impetus to the growth of modern management practices and greater freedom of pricing for these enterprises.

In addition, all major public enterprises should be charged with the responsibility of preparing an operational technology plan designed to upgrade and adapt technologies and to improve efficiency and productivity. Wherever possible, such enterprises should also be asked to prepare export plans for export performance is often a good indicator of the competitiveness and quality of products of an enterprise. Public sector enterprises have to act as pace setters in the process of technological upgradation and modernisation of our economy. Once their technology plans are approved by the government, they should be able to enter into foreign collaboration agreements without further detailed scrutiny of their proposals.

#### THE REGULATION OF PRIVATE ENTERPRISES

Even though the commanding heights of our economy have been reserved for the public sector, the private sector has still got a vast expanding role in meeting the requirements of consumer goods and in contributing to the country's export effort. In order to

enable this sector to play its role effectively, it is necessary to encourage the spirit of enterprise, initiative and self-reliance. While social gain rather than private profit must continue to be the main determinant of investment decisions in both the public and the private sectors and some controls are clearly necessary to prevent diversion of scarce resources to low priority uses, to prevent excessive concentration of economic power in the hands of a few and to protect village and small scale industries, it is necessary to update our regulatory mechanisms and do away with such features of control mechanism which do not serve any useful social or economic function. The present regulatory framework which requires often sequential examination of all investment proposals from the angle of licensing, monopoly, import control and capital issues is both unwieldy and unduly time consuming and is often ineffective. It is a by-product of an era when our industrial sector was small. It cannot be an effective policing device for an industrial economy which has grown tremendously since 1950. Insistence on a detailed case-by-case examination of all proposals for industrial expansion can greatly multiply the scope for arbitrary decisions as well as become a source of massive delays, leading to cost and time overruns. The challenge ahead is to work out a regulatory framework which is largely free of these defects and yet retains the essential features of a planning process which seeks to allocate resources in line with broad national priorities. In this context, the following suggestions are worth considering:

- (a) There is a valid justification to prevent diversion of scarce resources to low priority uses or to industries having already adequate capacity. For this purpose, the government should publish a negative list of industries where no investment will be permitted for a specified period.
- (b) There is also a continuing justification to protect village, cottage and small scale industries by reserving future expansion in certain sectors for exclusive exploitation by these industries. However, reservation should be a measure of last resort and more reliance should be placed on government purchase mechanisms and imposition of compulsory ancillarisation obligation on large scale enterprises. Reservation should be resorted to only if small scale industries have a long-term comparative advantage for the supply of reserved products. The reservation list should be reviewed periodically and in order to provide adequate incentive for improving efficiency, normally the period of reservation should not exceed ten years.
- (c) Licensing is also justified for industries whose expansion requires a large volume of domestic resources or foreign exchange. In all such cases, there has to be careful programming taking into account the likely trend of demand. Past experience shows that demand forecasts for such industries which form the basis of licensing decisions have too short a horizon and have often proved wide off the mark.. Investment decisions based on such forecasts tend either to perpetuate shortages or lead to periodic gluts. This is due to the fact that when demand forecasts are to be prepared for a large number of products, administrative resources are

spread too thinly. In the process, adequate attention is often not paid to sectors requiring large volume of resources where errors of judgement in forecasting demand can be extremely costly and can disrupt orderly implementation of development. I see no hope of improvement in the present situation unless there is a deliberate effort to confine detailed programming and licensing only to a manageable list of sectors and industries of critical importance to the country, either because of the scale of their claims on scarce resources or because of their strategic importance as suppliers of vital inputs to other industries or as producers of basic wage goods. It is only when the task of licensing is so defined that we can hope to work out more reliable demand forecasts and update them periodically taking adequate account of the normal gestation lags in industrial processes as well as intersectoral linkages. In all other cases, industrial licensing can be dispensed with. Government can still release demand forecasts for guidance of prospective entrepreneurs, but the choice of investment decision should be left to them. If growth of some of these industries is vital for sustaining the process of industrial development, a scheme of positive incentives should be devised to attract investments into these industries. Licensing is a poor substitute for positive promotional measures in such cases.

- (d) Licensing is often justified as a means to secure proper location, taking into account the needs of regional balance and social costs and benefits of alternative locations. This is, however, not always a strong argument for the same results can be achieved by publishing a negative list of locations where setting up of new large scale enterprises is not considered justified for a certain time period. If, in addition, industries are positively to be encouraged to move to specified locations, we should, apart from the use of public sector investments, rely on fiscal and credit incentives to attract industries to these areas.
- (e) As argued earlier in this lecture, modern enterprises operate in a highly uncertain environment which can affect the smooth flow of investment. If our country, apart from uncertainties associated with international economic environment, industry has also to contend with uncertain fluctuations in power supply, uncertain labour relations, fluctuations in weather conditions and resulting fluctuations in supply of raw materials of agro-industries and fluctuations of demand for many industrial products due to fluctuations in agricultural output. In addition, uncertainties of public policies are superimposed on other uncertainties inherent in the economic environment. These can seriously affect a long range view being taken of investment decisions. In order to reduce the scope and effect of some of these uncertainties, I would suggest that development councils, containing representatives of both industry and government should be set up for all major industries. These councils should be charged with the responsibility of planning expansion and technological upgradation of their respective industries. They should be assisted by high powered technical panels to take an objec-

tive view of prospects. I see these councils helping to restore a symbiotic relation between government and industry so that both can work in harmony for the achievement of our national objectives.

- (f) There is need for a fresh look at our approach to sick units. If all sick units have to end up in the public sector, this is an open invitation to unscrupulous entrepreneurs to mismanage the enterprise without incurring any financial risks. We must also recognise that in providing subsidies for loss making sick units, we may avoid loss of jobs for those employed, but only by throwing the new entrants on to the subsistence agricultural sector. It will be better if patently unprofitable sick units are freely allowed to be acquired by other entrepreneurs rather than being brought into the public sector.

#### ACCELERATING THE PACE OF TECHNICAL PROGRESS AND PRODUCTIVITY GROWTH

India has by now an impressive infrastructure of science and technology. However, the pay off from this development in terms of the pace of technical progress and improved productivity in resource use is still small except in agriculture. Available statistical data point to a growing inefficiency in the use of resources, even though the evidence is not conclusive. There are indications that technology and marketing knowledge have not been marshalled effectively to use available resources efficiently. By contrast, impressive gains registered by South Korea in export of textiles, apparel, electronics, ships, steel and now automobiles indicate a more effective approach to absorption and adaption of technology. The South Korean experience shows that where technology for processes and products is not proprietary, there is no need to invite direct foreign investment nor is it necessary to depend critically on transactions between related multinational corporate affiliates or upon international sub-contracting. It was only in electronics and chemicals that South Korea relied heavily on direct foreign investment for acquiring the very latest technology or market access.

A major drawback in Indian approach to science and technology is that science is institutionally stronger than technology and it has greater prestige. The professional bodies for science and technology tend to be dominated by scientists, oriented towards research and not linked closely to industry where technology is to be generated, adapted and used. Although the Indian Government adopted the Scientific Policy Resolution as early as 1958, the word, 'technology' does not appear in this document; there is no mention of the distinction between science and technology and the need for technological innovation. There has been inadequate emphasis on integrated Research and Development and these activities are very often not carried out within enterprise or closely linked to enterprise. The disappointing trend of new patents since 1970 is a prima facie evidence of low productivity of our Research and Development effort.

This matter has received growing attention in the last decade, but even now the links between know-how generating sectors and know-how consuming sectors are rather weak. What is needed is a close

continuous link between these two sectors but, for this, it is necessary to define carefully the national priorities in terms of operational time-bound programmes rather than stating them in the form of vague generalisations. It is also necessary not to spread scarce resources too thinly but to identify a few priority areas such as agriculture (with special reference to problems of dry land agriculture, increased production of pulses and oil seeds), energy conservation and more efficient use of low grade coals, and improvement of traditional technologies used in village, cottage and small scale industries for inclusion in any single five year plan.

It is essential that public policies must have a strong bias in favour of locally developed technologies. Tax policies, credit policies and policies of term-lending institutions should give a preferential treatment to the growth and commercial use of these technologies. These facilities are already being provided and if necessary they can be further improved. In addition, all major enterprises both in the public and the private sectors should have time bound Research and Development plans for technological upgradation and adaptation. After this is done, we should also identify areas where foreign technologies are not needed either because industries using these technologies are of a low priority or because adequate domestic substitutes are readily available. This list should be drawn up and reviewed periodically with the help of representatives of various industries. In all other areas, we should do away with the present practice of each case of foreign collaboration having to be approved by the government.

Government can lay down broad guidelines and amend them from time to time in the light of experience. But all that should be required is registration of all agreements with the official agencies. A sample of these agreements should be carefully studied to see if they are in broad conformity with the approved guidelines. While registering the agreements, enterprises should also be asked to state what steps they propose to take so as to reduce their dependence on imported technology. There should be careful monitoring of steps taken by all large enterprises in this direction.

In view of the large balance of payments costs associated with direct foreign investment, we have necessarily to be selective in having direct investments. Here too, there is need for careful planning. We should identify and list out industries where foreign direct investment is welcome either on the basis of 40 per cent equity or 51 per cent equity. These ought to be industries where needed know-how is of high priority and is available only through equity participation or industries where continued access to essential technological improvements or market access is necessary and cannot be secured by any other means. This will help to reduce uncertainty about our intentions to the mutual benefit of both foreign investors and Indian industry. At present vague statements that we welcome foreign investment in export oriented industries or those requiring sophisticated technology create confusion in the mind of foreign investors as we are often unable to spell out the names of industries which satisfy these criteria.

With proper technology planning and adequate concern for setting up of economic size plants, it should be possible to bring down costs of production. However, in the absence of effective foreign competition, there is a danger that enterprises may not adopt an

aggressive policy for cost reduction particularly if the domestic market structure is monopolistic or oligopolistic. I would, therefore, suggest that the mandate of Bureau of Industrial costs and prices should be enlarged to enable it to make systematic regular study of the cost structure of various industries and make suitable recommendations which would lead to cost reductions. The Bureau should also be charged with the responsibility of reviewing the effects of protection granted to an industry both through tariffs and import controls. Such review should take place every ten years and the industry should be told that present levels of protection should not be taken for granted. The Bureau could be renamed as Commission on industrial costs, prices and tariffs. This Commission should also be asked to prepare periodic (say once in five years) social audit reports on the functioning of all major industrial enterprises, both in the public sector and the private sector, which enjoy a significant degree of market power. These reports will highlight the extent to which the concerned enterprises were functioning efficiently, paying due attention to cost reduction and technical upgradation, their emphasis on research and development and on export promotion and their concern for their workers and consumers of their products.

#### A NEW APPROACH TO INDUSTRIAL RELATIONS

It is a rather disturbing development that labour force absorption in modern industry is not increasing rapidly. Although the labour absorption potential of this section of industry is rather limited, it appears that the management's fear of its inability to manage large work forces often leads to, excessive premature mechanisation of various industrial processes. It also discourages active interest in devising labour intensive new technologies in accordance with our basic factor endowments. These are unfortunate developments when we take into account the great need to provide expanding employment opportunities for a growing labour force. In our wage negotiations, there is almost an exclusive emphasis on wages and too little attention is paid to productivity growth. Available data do not support the view that wage inflation is a major factor in inflation in our country. A little more relaxed attitude towards wage increases could lead to more systematic attention being paid to discussion of productivity issues. It is also necessary to recognise that a comprehensive wages and incomes policy cannot be easily enforced in an open society, particularly if there are vast inherited inequalities of income and wealth. Insistence on rigid wage norms which managements are not free to modify by negotiations with their workers leads to excessive politicisation of wage negotiations which can lead to an unfortunate confrontation between government and the organised working class.

To deal with all these issues, it is necessary that the Indian Labour Conference should appoint a Study Team to have a fresh look at existing mechanisms for solving industrial disputes. Public sector enterprises which are often unable to declare a lock out in the face of disturbed labour conditions are often the worst victims of labour indiscipline and politicised trade unionism. Given the present delicate state of our economy, resource to strikes and lock outs has to be discouraged, but this presupposes that workers and



employers can be helped to devise suitable mechanisms for solution of disputes in an impartial manner without loss of work. For this purpose, we need to study closely the Japanese pattern of industrial relations. Otherwise, we are in the danger zone of being overwhelmed by the 'British disease' of irreconcilable hostility between employers and workers, which has contributed so much to the 'deindustrialisation' of Britain.

### THE ROLE OF THE FINANCIAL INSTITUTIONS

The financial institutions have made a significant contribution to the country's industrial growth, in promoting balanced regional development and in helping the cottage, village and small scale industries. Both the term lending institutions and the commercial banks have worked in close cooperation for the realisation of national objectives. However, there are certain aspects of their operations which require greater attention. For example, there are complaints about the quality and speed of their response to the needs of their clients. There have also been gaps in project appraisal and follow-up of project assistance as is evident from the growing concern that is being expressed about the extent of sickness in Indian industry. Financial institutions will also need to pay greater attention to technological upgradation of industrial processes so that we can maintain competitiveness of costs and quality. Moreover, because of the exercise of underwriting role and also because of the operations of agencies like the UTI, LIC and GIC in the stock markets, financial institutions have come to acquire a very large block of shares whose disposal can have profound effect both on the behaviour of stock markets as well as on the fortunes of the management group of an enterprise. Clearly defined guidelines are, therefore, necessary to ensure that the enormous powers which the financial institutions have come to acquire in our economy will be used to promote well defined national objectives, to support sound management practices, to broaden the entrepreneurial base and to prevent excessive concentration of powers in the hands of a few industrial groups. Furthermore, there are two other important matters which require closer attention and because of their importance I shall deal with them at some length.

The first issue relates to devising mechanisms for effective coordination between the Reserve Bank, commercial banks and term lending and other financial institutions. With the nationalisation of major commercial banks and insurance companies and the expanding role of term lending institutions, the combined operations of all the financial institutions can have a profound impact on the rate and pattern of industrial growth, the quality of economic management and on the effectiveness of monetary policy as an instrument of stabilisation and growth. It is, in my view, not enough for the term lending institutions to get together in an inter-institutional meeting to sort out their respective share of a term loan. Apart from the fact that the term loan has to be backed by a loan for working capital, the sheer scale of operations of term lending institutions is now such that it has profound implications for a successful operation of the monetary policy. Disbursements of funds by these institutions exercise a major influence on the pace of investments, and, therefore, on the state of aggregate demand.

Their borrowings from the Reserve Bank and from the market influence the growth of high powered reserve money. Thus, both in the interest of efficient operation of the monetary policy as well as for a healthy growth of the Indian financial system, it is necessary to devise viable coordinating mechanisms.

The second point which I wish to emphasise is that our financial institutions need men of the highest ability and integrity to enable these institutions to discharge their enormous responsibilities effectively. This requires that top management team must enjoy an adequate degree of continuity, security as well as the widest possible functional autonomy, while always operating within the broad framework of nationally approved policies and programmes. It is only under these conditions that our financial institutions can expect to attract for their top management positions men and women of the highest ability and integrity and having deep commitment to the national ideals of growth with equity.



# **Administrative Accountability:**

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